FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-94-206
Tuesday
25 October 1994

Daily Report

East Asia

FBIS-EAS-94-206

CONTENTS

25 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Thai Minister Comments on Setting APEC Targets *[NIHON KEIZAI SHIMBUN 23 Oct]* 1
APEC Business Leaders Seek Swifter Free Trade *[THE AUSTRALIAN FINANCIAL REVIEW 14 Oct]* 1

NORTHEAST ASIA

Japan

LDP-CIA Report, Probe of Ozawa Funds Linked *[SHUKAN DAIYAMONDO 29 Oct]* 2
Takemura Seeks Burden-Sharing on DPRK Issue *[KYODO]* 2
Government Prepares To Provide Aid To Pyongyang *[ASAHI SHIMBUN 22 Oct]* 2
Russian Official on Technical Aid for DPRK *[NIHON KEIZAI SHIMBUN 25 Oct]* 3
Saito Remarks Cited on Resuming DPRK Talks *[Tokyo TV]* 3
Chongryun Leader on Kim Chong-il Leadership *[KYODO]* 4
Igarashi Defends Hashimoto's Remarks on War *[KYODO]* 4
DA Official Views Reexamining PKO 'Use of Arms' *[MAINICHI SHIMBUN 21 Oct]* 5
Final SDF Mission Leaves for Zaire 25 Oct *[KYODO]* 5
Paper Companies Ready To Move Into PRC Market *[KYODO]* 5
Daido Steel Holds Oil Drilling Seminar in PRC *[NIHON KEIZAI SHIMBUN 13 Oct]* 6
Petroleum Association Mission to PRC Postponed *[NIKKEI SANGYO SHIMBUN 13 Oct]* 6
Smaller Firms Favor PRC for Overseas Production *[KYODO]* 7
Finland Foreign Minister Meets Counterpart *[KYODO]* 7
    Haavisto Meets With Murayama *[KYODO]* 7
Sony To Establish Joint Venture in SRV *[KYODO]* 8
Government Officially Decides on Farm Package *[KYODO]* 8
Takemura Voices Concern Over Rise in Yen *[KYODO]* 8
Hashimoto Urges BOJ Action To Arrest Yen Surge *[KYODO]* 9
Mori Says A-Bomb Victim Compensation 'Difficult' *[KYODO]* 9
Takemura Hints at Additional Consumption Tax Hike *[KYODO]* 10
Kono Rules Out Early General Election *[KYODO]* 10
LDP Leader Renews Opposition to Early Election *[KYODO]* 10
Tokyo Sets Dates for Unified Local Elections *[KYODO]* 11
Local Elections To Test New Political Alliances *[KYODO]* 11
Takemura Skeptical About Single Ruling Party *[KYODO]* 11
LDP's Political Power Stance Questioned *[GENDAI Sep]* 11
BOJ Branch Managers Begin Quarterly Meeting *[KYODO]* 14
    Close Watch on Forex Rates Needed *[KYODO]* 14
    Discuss Rising Yen, Structural Change *[KYODO]* 14
Bank of Japan Urged To Become More Independent *[EKONOMISUTO 27 Sep]* 15
MOF Advisory Panel To Discuss Derivatives *[NIKKEI KINYU SHIMBUN 10 Oct]* 17
Editorial Views Interest Rate Deregulation *[NIHON KEIZAI SHIMBUN 17 Oct]* 17
Keidanren Head Seeks More Financial Deregulation *[KYODO]* 19
Coalition, MOF Struggle Over Deregulation *[NIKKEI KINYU SHIMBUN 3 Oct]* 19
MOF, MHW at Odds Over Public Pension Funds *[NIKKEI KINYU SHIMBUN 17 Oct]* 20
Steel Chairman Seeks Self-Restraint in Exports *[KYODO]* 20

Toshiba Develops Enviro-Friendly Packing Paper [*NIKKEI SANGYO SHIMBUN 14 Oct*] 21
Osaka Gas Strengthens Enviro-Business [*NIKKEI SANGYO SHIMBUN 17 Oct*] 21
MITI Policy To Promote Recycling Industry [*NIHON KEIZAI SHIMBUN 10 Oct*] 21
Mitsubishi Electric Develops High Power Laser [*KYODO*] 22
Mitsui Matsushima Increases Coal Imports [*NIHON KEIZAI SHIMBUN 15 Oct*] 22
General Sekiyu To Export More Refined Products [*NIHON KEIZAI SHIMBUN 16 Oct*] 22
Article Discusses CATV, NTT Connections [*NIKKEI SANGYO SHIMBUN 20 Oct*] 23
Current Status of CATV Industry Viewed [*NIKKEI SANGYO SHIMBUN 18 Oct*] 24
Article Views CATV as Multimedia Pipeline [*NIKKEI SANGYO SHIMBUN 17 Oct*] 25

North Korea

Paper Condemns ROK's Nuclear Development [*KCNA*] 26
ROK Said Moving Military Vehicles to DMZ [*KCNA*] 26
Establishment of New Peace Arrangement Viewed [*NODONG SINMUN 18 Sep*] 27
South's Daily Criticizes National Security Law [*KCNA*] 28
DLP Leader's Remark on Maintaining NSL Noted [*Pyongyang Radio*] 28
North Involvement With 'Spy Activities' Denied [*KCNA*] 29
ROK Opposition Urges Resignation of Cabinet [*KCNA*] 30
ROK Must 'Strongly Demand' Kim Yong-sam Resign [*KCNA*] 30
Kim Yong-sam Denounced for Bridge Collapse [*Pyongyang Radio*] 30
Kim Yong-sam Clique's 'Madness' Criticized [*Pyongyang Radio*] 31
South Student Delegate Visits North's Pomminnyon [*KCNA*] 32
Group for 'Rescuing' ROK Patriotic Youth Noted [*KCNA*] 32
Chongnyon Students Visit Kim Il-song Statue [*KCNA*] 32
Chongnyon Standing Committee Chairman Departs [*KCNA*] 32
Russian Delegation Praises Kim Chong-il [*KCNA*] 33
    Meets With SPA Chairman Yang [*KCNA*] 33
Russian Paper Cited Praising WPK, Leadership [*KCNA*] 33
Vice President Meets With Indonesian Delegation [*KCNA*] 34
    Parliamentary Delegation Departs [*KCNA*] 34
PRC, Others Hail North-U.S. Framework Accord [*KCNA*] 34
Anniversary of PRC Entry Into Korean War Noted [*KCNA*] 34
    PRC Embassy Observes Anniversary [*KCNA*] 35
    Dailies Commemorate Anniversary [*KCNA*] 35
Dailies' Articles Support Disarmament Week [*KCNA*] 36
Foreign Groups Support DCRK Founding Proposal [*KCNA*] 36
Foreign Party Leaders Greet Kim Chong-il [*KCNA*] 37
Foreign Parties Hold Services for Kim Il-song [*KCNA*] 37
Kim Chong-il Quoted on Leadership, Socialism [*KCNA*] 38
Kim Chong-il's 'Wise Leadership' Praised [*Pyongyang Radio*] 38
Kim Chong-il Thanks Units, Working People [*KCNA*] 40
Kim Il-song Praises Engraved on Mountain Rocks [*KCNA*] 40
Innovations in Production, Construction Urged [*NODONG SINMUN 11 Sep*] 40
Daily Stresses Unified, Detailed Planning [*NODONG SINMUN 13 Sep*] 42
Characteristics of Pyongsong City Described [*KCNA*] 44
Anniversary of Founding of Kim Chong-suk Museum [*KCNA*] 45
Championship Opening Ceremony Held in Pyongyang [*Pyongyang Radio*] 45

South Korea

Cost of Framework Accord Implementation Discussed [*KYONGHYANG SINMUN 25 Oct*] 46
Seoul, U.S., Japan Hold Coordination Meeting [*YONHAP*] 46
Article Assesses U.S.-South Team Spirit Plans [*SEOUL SINMUN 25 Oct*] 47
'Expert': South POW's Taken to Former USSR [*YONHAP*] 47
Economic Projects To Invest in DPRK Reviewed [*MUNHWA ILBO 25 Oct*] 47
Companies To Invest in DPRK's Natural Water [*HANGYORE SINMUN 23 Oct*] 49
Concern Over Hashimoto WW II Remarks Expressed [*YONHAP*] 49
    Ministry Seeks Explanation [*YONHAP*] 49
Foreign Minister Departs for Talks With EU [*YONHAP*] 50
Korean Air To Build Core Part of Airbus Planes [*THE KOREA TIMES 25 Oct*] 50

National Assembly Recess 'Expected' To Continue *[THE KOREA TIMES 25 Oct]* 50
National Assembly's Activities Examined *[THE KOREA HERALD 22 Oct]* 51
Special Law To Prevent Future Disasters Planned *[YONHAP]* 54
Steps Ordered To Prevent Flimsy Construction *[YONHAP]* 55
Bridges, Subways, Apartments Inspections Planned *[YONHAP]* 55
Arrest Warrants Sought Against 7 Seoul Officials *[YONHAP]* 56
Prosecution Plans To Summon Former Seoul Mayor *[YONHAP]* 56
AI Studying Human Rights Situation in South *[YONHAP]* 56
Seven Soldiers Arrested for 'Mutinous' Behavior *[THE KOREA HERALD 25 Oct]* 56
KIF Warns Against Intervention in Stock Market *[THE KOREA TIMES 25 Oct]* 57
Heavy Machinery Business Liberalization Scheduled *[THE KOREA HERALD 25 Oct]* 57

SOUTHEAST ASIA

Burma

Rangoon To Distribute Singaporean Newspaper *[Rangoon Radio]* 59
Opposition Constitutional Seminar Issues Statement *[Oslo DVOB]* 59

Brunei, Malaysia & Singapore

Malaysia

Israel Recognition To Depend on Peace Efforts *[NEW SUNDAY TIMES 23 Oct]* 59
Bosnian, Croatian Premiers Arrive for Visit *[Zagreb Radio]* 60
'Diehard' Al-Arqam Members To Be Sent to Centers *[Kuala Lumpur Radio]* 60

Cambodia

Ranariddh Appeals for Release of Western Hostages *[Phnom Penh Radio]* 60
Ranariddh Ready To Accept Sirivut Resignation *[AFP]* 60
KR Cabinet Decrees Use of Political Violence *[Radio PGNUNS]* 61

Indonesia

Alatas Denies Amnesty International Allegations *[ANTARA]* 62
Importance of Asia Pacific, APEC Forum Viewed *[SUARA PEMBARUAN 8 Oct]* 62

Thailand

Cabinet Reshuffle List Submitted to King *[Bangkok Radio]* 63
    Chuan, Prasong Comment *[THE NATION 25 Oct]* 63
Prasong Cautious Over Release of Detained Thais *[THE NATION 25 Oct]* 64
Cambodia Wants 5 Thais Back To Assist in Trial *[THE NATION 25 Oct]* 65
Murder Probe Halted; FUNCINPEC Links Seen *[BANGKOK POST 25 Oct]* 65

Vietnam

Further Reportage on National Assembly Session 66
    Vo Van Kiet Report, Part 4 *[Hanoi Radio]* 66
    Prime Minister on Reform *[Hanoi Radio]* 69
    Communique No. 4 Issued *[Hanoi Radio]* 70
Vo Van Kiet Urges Increased Coffee Production *[VNA]* 71
Commission 'Condemns' Khmer Rouge 'Massacre' *[VNA]* 71
Vo Van Kiet Meets Former French Prime Minister *[VNA]* 71
Foreign Minister Meets Swiss Officials, Departs *[VNA]* 71

AUSTRALASIA

Australia

Reserve Bank Increases Interest Rate by 1% *[Melbourne International]* 72

Papua New Guinea

Bougainville Rebel Faction Welcomes Peace Talks *[Melbourne International]* 72

Solomon Islands

Mamaloni Sworn In as Interim Prime Minister *[Melbourne International]* 72
    Constitutional Crisis Causes Confusion *[Wellington Radio]* 73

Thai Minister Comments on Setting APEC Targets

OW2510092294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Oct 94 Morning Edition p 5

[FBIS Translated Text] Thai Deputy Prime Minister Suphachai Phanitchaphak, currently visiting Japan to attend a meeting of ministers in charge of small and medium enterprises under the Asia-Pacific Economic Cooperation (APEC) forum, granted an interview to NIHON KEIZAI SHIMBUN in Osaka on 22 October. On the issue of liberalizing trade and investment in the Asia-Pacific region, he indicated a cautious attitude on setting target goals too soon, saying: "It will be a prerequisite for countries and regions belonging to the APEC to try to remove trade barriers so that trade and investment can be liberalized."

At APEC meetings, Indonesia and other member countries have insisted on setting 2010 as the target year for liberalizing trade in the region. They have sought for adopting the plan at an informal APEC summit planned for November in Jakarta. However, the Thai deputy prime minister said: "Since APEC member countries and territories are in different stages of economic development, it would not work out if we tried to liberalize trade under such a situation." He thus maintained that it would be necessary for each APEC member country or territory to remove trade barriers and, for that purpose, to rectify economic imbalance among themselves.

In this connect?on? Suphachai said "it has become impossible" to hold the informal summit meeting of ASEAN member nations which was initially planned before the APEC summit. He thus hinted that ASEAN member nations are also facing rough sailing over resolving trade liberalization issues.

Regarding the issue of Latin American countries' bid for official membership in APEC, the Thai deputy prime minister said: "It will be necessary to clarify a number of requirements for official membership." He indicated opposition to approving membership at this time, saying: "It would lead to confusion."

APEC Business Leaders Seek Swifter Free Trade

BK2510093594 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 14 Oct 94 p 9

[By Peter Gill]

[FBIS Transcribed Text] APEC [Asia Pacific Economic Cooperation] leaders will come under pressure to consider a quick move to free trade in the Asia Pacific region with a highpowered business group recommending a 2010 deadline for the removal of all trade and investment barriers.

The Pacific Business Forum—a group of senior business people from the region which were handpicked by APEC leaders—will present a report to Indonesia's President Suharto in Jakarta tomorrow.

The target date of 2010 for achieving free trade in the region by the 18 Asia Pacific Economic Cooperation countries is a faster transition than that recommended by the APEC Eminent Persons Group [EPG], which is also advising the APEC leaders.

In an August report to President Suharto, who will host the APEC leaders meeting next month, the EPG recommended that free trade in the region be achieved by 2020.

In the face of the call for accelerated trade liberalization by senior regional business representatives, the APEC leaders will have to balance the delicate politics of this course with the apparent desire of their business communities.

Accepting a closer target date—with developed countries like Australia expected to meet the free trade goal around the turn of the century under the Forum proposals—would put increasing pressure on the remaining protected Australian sectors of motor vehicles and textiles, clothing and footwear.

The Minister for Trade, Senator McMullan, said last night that the Forum, on which Australia was represented by the managing director of Pacific Dunlop, Mr Philip Brass, and Nutrimetics president, Ms Imelda Roche, would release "a blueprint for APEC's future."

He told a Pacific Basin Economic Council dinner in Sydney last night the Forum's report would "contribute to the transformation in regional trade relations which should culminate at the APEC leaders meeting in Bogor—near the Indonesian capital, Jakarta".

Senator McMullan said part of that transformation was the shift in political power which was accompanying the economic growth in the Asia Pacific region.

He said it was "time for the Asia Pacific region to assume its rightful place in the international arena" because the days of Europe and North America dominating international institutions was over.

"We are in the midst of an historic redistribution of economic power, with much of the critical activity centered on our region and political power will inevitably follow," Senator McMullan said.

Japan

LDP-CIA Report, Probe of Ozawa Funds Linked

OW2510041694 Tokyo SHUKAN DAIYAMONDO in Japanese 29 Oct 94 p 17

[Article by Yoji Fukuyama; from the "Business Inside" column]

[FBIS Translated Text] "A certain group in the Liberal Democratic Party [LDP] is investigating Ichiro Ozawa's sources of funds in the United States."—Right now, such a rumor is rife in Nagata-cho [the center of Japanese politics in Tokyo].

This started with the recent exclusive report by THE NEW YORK TIMES that the "CIA provided secret funds to the LDP." The total amount of such funding reached several million dollars (the exchange rate then was 360 yen per dollar). This shocking information was also taken up extensively by Japanese newspapers. At the same time, a curious "allegation" has also made the rounds. It is said that, "This information was actually leaked by the old ruling coalition parties to damage the LDP-SDPJ [Social Democratic Party of Japan] coalition government."

THE NEW YORK TIMES stresses that "the report was the result of prolonged investigations, and has nothing to do with political motives." However, the fact that this report was perfectly timed to come out just before deliberations started at the Budget Committee, and that Deputy Prime Minister Masaharu Gotoda, a powerful LDP leader, was brought into the limelight unnecessarily serve as strong evidence to support such an "allegation." It has also been pointed out that 'a powerful leader of the old ruling coalition parties is behind this affair."

That is to say, the alleged LDP investigation of Ozawa is a form of revenge against Ozawa, the "powerful leader" behind the CIA- funding affair. Moreover, the fact that the opposition parties promptly decided to send an investigation team to the United States, even though the LDP unequivocally denied the report as "totally groundless," has enraged the LDP.

Now, regarding Ozawa's alleged "sources of funds in the United States," how true is it? A source in political circles said: "In the past, a number of cases of Japan-U.S. friction were resolved in a manner favoring U.S. interests through Mr. Ozawa's intervention. In view of this, a number of U.S. companies are rumored to be Ozawa's political fund donors."

However, a Shinseito [Japan Renewal Party] source merely shrugs this off. He said: "Suspicions relating to Mr. Ozawa are groundless. I have indeed heard about the LDP's investigations, but I do not believe that anything substantial will be found. This seems to be black information they intentionally circulated to divert the people's attention from their own suspected links with the CIA."

If the LDP is really undertaking an investigation, the information war between the LDP and Shinseito may develop into a mud-flinging contest involving even the United States. In such a case, something is bound to follow from the "allegation against Ozawa." It will be interesting to see what happens hereafter.

Takemura Seeks Burden-Sharing on DPRK Issue

OW2510064494 Tokyo KYODO in English 0625 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—Finance Minister Masayoshi Takemura told the Diet on Tuesday [25 October] that Japan will ask West European countries to share the burden of paying for alternative nuclear power plants to North Korea.

Europe's agreement to bear a share of the cost is a prerequisite for Japan to play its part in the project, Takemura told a meeting of the House of Representatives Finance Committee.

Takemura was referring to a recent agreement signed by the United States and North Korea over Pyongyang's nuclear program. The agreement, signed in Geneva on Friday, calls for North Korea to freeze and dismantle its ongoing nuclear program and open up its nuclear facilities to international inspections after an interval of about five years. Under the accord, the United States and its allies will provide North Korea with two modern nuclear power plants which produce smaller amounts of bomb-grade plutonium than existing ones.

U.S. President Bill Clinton, lauding the agreement, said Japan, South Korea and other nations will bear most of the cost of paying for alternative power to North Korea while its nuclear program is frozen.

The 1986 disaster at the Chernobyl Power Plant in the former Soviet Union was a problem for Europe but Japan shared the burden, and now Japan will ask Europe to shoulder a part of the cost, Takemura said.

Government Prepares To Provide Aid To Pyongyang

OW2510113794 Tokyo ASAHI SHIMBUN in Japanese 22 Oct 94 Morning Edition p 2

[FBIS Translated Text] Following the official agreement at high-level talks between the United States and the DPRK over Pyongyang's suspected development of nuclear weapons, the government on 21 October started getting ready to provide light-water reactors to the DPRK. However, as Japan has little experience in joining consortia, the government intends to take further action in concert with the United States, South Korea, and other nations concerned.

Meanwhile, the ruling coalition parties have begun considering sending delegations to the DPRK with the aim of seeking a possible resumption of deadlocked Japan-DPRK talks on normalizing diplomatic relations.

According to the U.S.-DPRK accord, consortia will be formed to raise the funds to meet the cost of constructing light-water reactors, which are estimated to cost $4 billion (approximately 400 billion yen). Although it is expected that Japan, the United States, and South Korea will join the U.S.-proposed "Korean Energy Development Organ (tentatively known as KEDO)", there is no doubt that South Korea and Japan will bear the most of the construction costs. For that reason, the Japanese Government plans to work out, in close cooperation with the United States and South Korea, a definite allocation of the costs.

Although the Japanese Government will wrack its brains over how to raise the funds, the Foreign Ministry sees no strong objection to providing funding because it is part of an accord which helped avoid any crisis of military conflict resulting from possible sanctions imposed by the United Nations. According to Foreign Minister Yohei Kono, to win the understanding of those who do not want to supply aid because Tokyo has no diplomatic relations with Pyongyang, the Foreign Ministry will present its view that providing funds is "directed toward sweeping away any suspicion of North Korea's nuclear weapons development" and is not direct assistance to the DPRK.

Meanwhile, within the Social Democratic Party of Japan [SDPJ], there is rapidly growing support for the idea of forming a delegation composed of members of the ruling parties, the Liberal Democratic Party [LDP], the SDPJ and Sakigake [Harbinger], and sending it to the DPRK by the end of this year. During the previous Japan-DPRK negotiations on normalizing diplomatic relations, which were held in October 1992, Japan raised the issue of Yi Un-hye only to find the North Korean delegates refused to discuss the matter and left the room. Negotiations since then have been deadlocked. Underlying the idea of sending the delegation is the feeling that "a diplomatic visit by dietmen" could provide a breakthrough because it will be difficult to break the impasse government-level contact.

It is likely, however, that South Korea will have apprehensions if Japan decides to move toward resuming negotiations "without due regard to South Korea's position."

In addition, there are many problems to be solved, such as how to draw a line between North Korea's claims for "compensation" for war damages and Japan's aid in providing light-water reactors.

There is a negative feeling within the LDP that "it would be meaningless if the purpose of the visit is merely to see Secretary Kim Chong-il."

It seems, therefore, there are still many hurdles to be overcome before the idea of sending the delegation materializes.

Russian Official on Technical Aid for DPRK

OW2510102494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Oct 94 Morning Edition p 8

[FBIS Translated Text] Valentin Yeremchenko, director of the Second Asian Department under the Russian Foreign Ministry, granted an interview to NIHON KEIZAI SHIMBUN at an Osaka hotel on 24 October. Touching on the issue of converting the DPRK's nuclear power reactors into light-water reactors and supplying energy alternatives, he stated: "Russia would like to participate in the Korean Energy Development Organization (KEDO), which is an international consortium, to play an active role in providing technological support." He avoided referring to the share of costs expected to reach over $4 billion but indirectly indicated Russia's intention to mainly provide technological cooperation in the nuclear field.

Director Yeremchenko further said: "We welcome the decision on establishing a new framework for aid. We are capable of providing technological cooperation in dismantling existing nuclear facilities and converting them into light-water reactors." In this way, he indicated Russia's intention to provide technological support.

Saito Remarks Cited on Resuming DPRK Talks

OW2510043994

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0057 GMT on 23 October, during its "Sunday Discussion" talk show, which begins at 0000 GMT, carries a live 23-minute discussion between Kunihiko Saito, Japanese vice foreign minister, and Pak Su-kil, director of the ROK Foreign Ministry's Diplomatic Security Research Institute. The discussion entitled "U.S.-DPRK Agreement—Is Nuclear Threat Eliminated?" is the second part of the talk show moderated by NHK commentator Takashi Yamamoto. Saito speaks at the NHK studio while Pak Su-kil, who is in Seoul, joins the program via satellite hookup.

Yamamoto asks Saito how he sees the agreement between the United States and the DPRK in connection with the nuclear issue surrounding the DPRK. Saito notes: "The government feels the accord will serve as an important step toward settling the issue of the DPRK's suspected nuclear program. Yes, of course, I do not mean to say that the nuclear issue has been fully resolved. What has been agreed upon has to be carried out without a hitch, and I think the fact that the accord, which was reached through negotiations, has paved the way for settling the issue and should be highly rated." Yamamoto then asks Pak if the ROK Government also welcomes the agreement. Pak, speaking in Korean with simultaneous translation into Japanese, says: "The accord was signed on condition that the DPRK will sincerely implement what has been agreed upon with the United States. But I do not think it will serve as a positive step toward achieving stability and peace and denuclearizing the Korean Peninsula if the DPRK fails to carry out the accord."

At 0059 GMT, Yamamoto summarizes what has been agreed upon between Pyongyang and Washington, listing the accord's major points. Yamamoto then introduces a recorded interview with Winston Lord, U.S. assistant secretary of state for East Asia affairs, who speaks on the U.S. position. Lord, speaking in English with simultaneous translation into Japanese, explains the agreement's significance, briefly describing the U.S. Government's position. After the three-minute remarks by Lord, Yamamoto asks Saito if the accord allows Pyongyang to keep a nuclear trump card until the nuclear inspections are conducted in five years. Saito answers: "No, I do not think so. Although it is specified in the accord that inspections—the words special inspections are not used in the accord—will be made at declared nuclear sites in five years, the accord stipulates that the DPRK is to freeze its nuclear activities and that the International Atomic Energy Agency is allowed to monitor whether or not it is doing so. In this sense, I think it would be impossible for the DPRK to make any moves that would again heighten suspicions about its nuclear development. The United States, for its part, is not ignoring the DPRK's possible development of nuclear weapons. Clearing suspicious is an important task for the U.S. Government. I think the United States must have obtained a promise from the DPRK on this matter." He adds: "Japan's position is that it will not provide aid to the DPRK unless the guarantee on solving the issue of the DPRK's suspected nuclear program is assured remains unchanged." Asked if the government will positively cooprate in aiding the DPRK by establishing an international organ, Saito reiterates the government's intention to make due cooperation. On the same question, Pak notes that Seoul has not yet decided how much of the costs needed for constructing the light-water reactors it will bear. Saito also says details of aid to be provided by the consortium are a matter to be discussed starting now.

Turning to South-North relations, Yamamoto asks for the possibility of resuming a South-North dialogue. Pak says: "We hope the DPRK will promote a dialogue." Asked whether the resumption of a dialogue will be proposed from the ROK side, Pak says: "It is currently under study."

On Japan-DPRK talks on normalizing diplomatic relations, Yamamoto asks about the possibility of resuming the talks. Saito notes: "The government has unofficially conveyed to the DPRK its readiness to resume the talks." He goes on to say: "It is expected that the U.S.-DPRK accord will also help improve the atmosphere between Japan and the DPRK. Although I cannot foresee when they will resume, I think there is a strong possibility that Japan-DPRK talks will resume in the near future."

Asked how he thinks the accord will effect Kim Chong-il's leadership, Saito says: "I think it will help stabilize Kim Chong-il's leadership. I think for the DPRK, the accord is a fruit of its diplomacy."

Yamamoto then asks Saito if he thinks the DPRK will shift to an open-door and reform policy. Saito rules out a rapid change in policies, adding: "But I hope the accord will also serve as the great factor for the DPRK taking such a line."

The discussion ends at 0120 GMT.

Chongryun Leader on Kim Chong-il Leadership

OW2210152894 Tokyo KYODO in English 1404 GMT 22 Oct 94

[FBIS Transcribed Text] Narita, Japan, Oct. 22 KYODO—The head of the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun), who has been staying in North Korea since late April for treatment for a respiratory ailment, returned to Japan on Saturday [22 October]. Some 250 members of the association met Chongryun Chairman Han Tok-su, 87, at Narita Airport, east of Tokyo, as he arrived there from Pyongyang via Beijing.

Han, who is also a delegate to North Korea's Supreme People's Assembly, was treated like a VIP and was always placed close to North Korean de facto leader Kim Chong-il at the funeral and series of memorial services for President Kim Il-song who died in July.

On Oct. 16, Kim Chong-il made his first public appearance since July 20 at a memorial service to cap the 100-day mourning period for his father.

Han said at a news conference that Kim Chong-il is firmly in control of the party, the state and the military. He also said the timing of Kim's appointment as general secretary of the Workers Party of Korea will be known in the future.

Igarashi Defends Hashimoto's Remarks on War

OW2510085594 Tokyo KYODO in English 0832 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—A remark by a key cabinet minister Monday [24 October] on whether Japan's military actions in World War II constituted aggression in Asian countries does not deviate from the nation's antiwar commitment, a government spokesman said Tuesday.

"We are aware that the acts of aggression and colonial rule we did at one time in the past not only sacrificed many Japanese but were inflicted on many people in our Asian neighbors," Chief Cabinet Secretary Kozo Igarashi told a news conference.

"We have renewed our antiwar commitment and are striving to achieve a lasting peace. This is a unified view of our cabinet," he said.

Igarashi said International Trade and Industry Minister Ryutaro Hashimoto, who expressed skepticism about whether Japan waged a war of aggression on Asian countries in World War II, did not stray from the government's view on the nation's past. He sad Tokyo will explain Hashimoto's remarks in detail and seek understanding from South Korea.

In Seoul, a Foreign Ministry spokesman voiced regret over Hashimoto's remarks, saying they contradict historical facts.

"It is regrettable that the Japanese minister has made remarks denying facts that Japan invaded Asian countries in the past," the spokesman said in a statement.

"It is a matter of concern that such remarks made by an incumbent Japanese cabinet minister and contrary to historical facts may adversely affect improvement of relations between Seoul and Tokyo," the spokesman said.

DA Official Views Reexamining PKO 'Use of Arms'

OW2210102194 Tokyo MAINICHI SHIMBUN in Japanese 21 Oct 94 Morning Edition p 2

[FBIS Translated Text] The Committee on the Security of the House of Representatives held a session on 20 October. Regarding the criteria for the use of weapons in case the freeze on participation in the UN Peacekeeping Force (PKF) stipulated in the PKO Cooperation Law should be lifted, Director Naoaki Murata of the Defense Policy Bureau of the Defense Agency [DA] said at the session that "on the basis of results of participation in PKO operations so far, the issue as to whether it is sufficient to have current regulations will be reexamined." It is stipulated in the PKO Cooperation Law that the use of arms should be left to "individual judgment."

However, it has been voiced within the DA that the criteria should be revised because of the "heavy psychological pressure" experienced by those participating in the PKO operations in Cambodia. The request for reviewing the criteria has also been mentioned in a report by the recent session of the Advisory Council on Defense Issues. It is observed that this issue has been brought up because of these requests. Director Murata made these remarks in his reply to a question raised by Gen Nakatani of the Liberal Democratic Party [LDP].

Final SDF Mission Leaves for Zaire 25 Oct

OW2510063694 Tokyo KYODO in English 0344 GMT 25 Oct 94

[FBIS Transcribed Text] Chitose, Japan, Oct. 25 KYODO—The third and final group of Self-Defense Forces (SDF) personnel left Japan on Tuesday [25 October] for Goma, eastern Zaire, to bolster relief efforts for Rwandan refugees who have fled their war-torn nation.

A total of 36 Ground Self-Defense Force members and medical personnel departed New Chitose Airport in Chitose, Hokkaido, and is scheduled to arrive in Goma on Thursday.

The group, which includes doctors, public health experts and three clinical technicians, will chiefly undertake antiepidemic activities in the city's refugee camps which border Rwanda.

Before entering the aircraft the SDF members bid last-minute farewells to their wives, children and other relatives inside the airport.

Watching from the observation deck, the wife of a medical officer who will be stationed at a Goma hospital said, "I support my husband's wishes to make good use of his medical knowledge and experience. As the lives of both the refugees and dispatched personnel are equally important, I truly hope they both will take utmost care."

Some 250 SDF ground troops are already in Goma providing assistance to secure water and medical relief for refugees.

Paper Companies Ready To Move Into PRC Market

OW2410082294 Tokyo KYODO in English 0724 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Major Japanese paper manufacturers are ready to move into the swiftly expanding Chinese market where demand is expected to nearly double by the year 2000, industry sources said Monday [24 October].

Daishowa Paper Products Co., a subsidiary of leading Japanese paper maker Daishowa Paper Mfg. Co., has nched a joint venture in Shanghai to manufacture toilet and tissue paper. The products will be marketed through outlets run by Yaohan International Co., the Hong Kong-based parent company of the Japanese supermarket group which owns a stake in the joint venture.

The sources said Daio Paper Corp., which ranks fourth among Japanese paper companies, plans to establish a joint paper manufacturing venture in Shanghai at the end of this year.

Daio paper's plan calls for making no-carbon paper for business use at an annual volume of 5,000 tons, starting in 1997, they said. Daio paper will establish a joint company with Itochu Corp., a major Japanese general trading house, to prepare for entry into the Chinese market, the sources said.

Other major Japanese paper manufacturers, including New Oji Paper Co., Honshu Paper Co. and Japan Paper Industry Co., are also studying plans to enter the Chinese market, they said.

They said a subsidiary of New Oji Paper plans to establish a joint venture in Shanghai with a Chinese Private-run enterprise and Itochu to produce paper bags for wheat. The parent company will soon open a representative office in Shanghai to study several proposals offered by Chinese enterprises, the sources said.

They said China's demand for paper is expected to grow at an annual rate of 10 percent to reach 36 million tons in 2000.

Daido Steel Holds Oil Drilling Seminar in PRC

952A0058A Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Oct 94 p 7

[FBIS Translated Text] Daido Steel will hold an "oil drilling products seminar" at the International Conference Center of the Chinese Agricultural Mechanization Science Research Institute in Beijing, China, on 17 and 18 October. It is sponsored jointly with the China Petroleum and Natural Gas Corp. Fifty-five technicians and others from the 18 major oil fields will participate from the Chinese side. Moreover, they will visit the various oilfields of Huabei (Hebei Province), Shengli (Shandong Province), and Liaohe (Liaoning Province) in the four-day period from 19 to 22 October and provide guidance on drilling technology.

The company manufactures and sells drill collars for use in oil drilling; its sales in 1994 are estimated to be 400 million yen. Daido Steel is a prominent manufacturer in the world for "non-magnetic drill collars" which are not affected by earth magnetism even when drilling a particularly deep well. This seminar will introduce these products and, besides selling to the Chinese, it will also participate in consultations on drilling technology with oilfield people.

The demand for oil is increasing in China with the progress in industrialization and popularity of autos. Moreover, the amount of underground deposits has been confirmed to be prominent in the world and advanced drilling machinery and technology is becoming necessary.

The company established a "Daido Beijing Information Center" at the same research institute in September last year, and has been providing information on drilling technology, but it will participate in consultations, directly hearing drilling information from the Chinese side in this seminar. In addition, the company wants to strengthen its cooperative relationship in oilfield drilling such as manufacturing drill collars that meet the actual conditions in China.

Petroleum Association Mission to PRC Postponed

952A0059A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 13 Oct 94 p 11

[FBIS Translated Text] The mission to China of the Petroleum Association (Yasuoki Takeuchi, Japanese Petroleum Association chairman) that was supposed to have departed on 16 October was hastily postponed until next spring due to circumstances on the Chinese side. It seems that it was because negotiations on a joint-venture refinery program with Saudi Arabian and South Korean companies have come to a conclusion. For China, which has been troubled by the increase in demand for oil products, it is natural to give priority to a refinery construction program that will be actually operating rather than to a mission with survey objectives. It can be called an event that symbolizes the real situation where majors (international oil capital) inherently have been surpassed by South Korean forces expanding into China.

"The request for postponement came from the Chinese side. It seems the reason was that the vice premier in charge of petroleum with whom we were supposed to have talks was dispatched to Saudi Arabia." The explanation in the Petroleum Association about the sudden postponement was made with a feeling of some perplexity. China had sought a postponement of about a week, but decided to postpone it half a year because it was impossible to rework the schedules of all the members of the China visit, including the presidents of various petroleum companies.

The enthusiasm of the petroleum industry about this visit to China had been strong. Chairman Takeuchi himself was serving as head of the delegation and a total force of 35 people were participating such as heads of various companies and officers from the Agency of Natural Resources and Energy. In addition to leading figures in the Chinese Government, they were to meet General Manager Sheng Huaren of the Chinese Petrochemical Corp. (SINOPEC), which is in charge of refining and sales, with the goal of understanding the petroleum products supply and demand situation. There must have been many companies who wanted to seize this chance for expansion into China, which will be a large market in the future, and the delay of half a year will be painful.

Concerning the visit to Saudi Arabia by leading figures of the government, which was the reason for the postponement, a Japanese industry source reveals that "I have been hearing that it was because they apparently had reached an agreement on a refinery project with the Saudi state-run oil company Saudi Aramco and Ssangyong Refining of South Korea." It is a plan to build a refinery with production capacity of 300,000 barrels a day in Qingdao, China, in 1997, and it appears that the amount of the investment will be 150 billion to 200 billion yen.

The South Korean company Yugong also is proceeding with plans for a joint-venture refinery in Shenzhen with production capacity of 100,000 barrels a day. South Korean forces have gotten greatly ahead while Japanese firms have been unconcerned about hesitating on large investments.

China is becoming enthusiastic about building refineries in the coastal area to process imported crude oil from the Middle East. As opposed to existing refineries which are for the low sulfur crude oil of their own country, technology and capital from the majors, Japan, and South Korea, will be necessary to refine high sulfur crude oil from the Middle East which is expected to increase in the amount imported in the future.

It is said that so far there are plans for 20 to 30, including "paper refineries" which only have been reported in newspapers. "Of these, the Chinese Government has been seriously studying about 15. Among them, about five already are becoming concretized" (domestic industry source). The first joint venture was a refinery in Dairen in which Total Compagnie of France is participating, and it will begin full-scale operation during this year.

However, the names of Japanese firms hardly have come up at all. When they launched the Shenzhen program, it is said they also sounded out Japanese firms, but it was snatched up by Yugong, which acted swiftly.

Since Nippon Oil, Showa Shell Sekiyu, Tonen, and others have capital and tieup relationships with the majors, it is difficult to take independent action in an overseas market. The current situation is that Idemitsu Kosan and Cosmo Oil, which should be able to act freely, are anxious about their financial constitution, and Mitsubishi Oil is devoting its energy to the Southeast Asian market centering on Vietnam. In addition, the liberalization of gasoline imports at the end of March 1996 is nearly a certainty and there are also fears that the domestic earnings base will be shaky and they have become rather cautious about investment.

However, because of the very fact that the future of the domestic market is unstable, it can be said that expansion into promising overseas markets is indispensable. If they have capital participation in refineries in China where refining costs are cheap and obtain rights to sell freely a set amount of products, it will become easy to resist the import attack by general trading corporations and others because they can adopt a flexible production system.

Even in the interim report on deregulation policy put together by the Petroleum Policy Basic Issues Subcommittee of the Petroleum Advisory Council, a consulting organ to the minister of international trade and industry, it is proposed that the stable supply of petroleum products in the future "should be realized by linkage with the Asia-Pacific region, not realized in a closed market." Not much time remains for Japanese firms while their "seat" in joint-venture programs is gradually being reduced (Keisuke Komori).

Smaller Firms Favor PRC for Overseas Production

OW2510073094 Tokyo KYODO in English 0701 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—Smaller Japanese companies favor China for shifting their domestic production in a bid to weather the yen's rise, a semigovernmental financial institution said Tuesday [25 October].

Shoko Chukin Bank said in a survey that 52.6 percent of smaller manufacturers it polled selected China as the country they will shift production to if they have to. It was followed by 31.6 percent for member nations of the Association of Southeast Asian Nations (ASEAN). But, only 6.9 percent said they actually intend to shift or boost production abroad to cope with the yen's rise, while a majority of firms plan to continue taking domestic actions, including 78.7 percent who opt for streamlining.

The survey was conducted in September among 800 small companies, comprising 350 manufacturers and 450 nonmanufacturers. Asked about the effects on their business if the dollar-yen rate remains below 100 yen, 34.9 percent said it would dampen their activities, while 11.4 percent replied their business would be boosted, the survey showed.

As for bad effects, 64.0 percent cited lower contract and sales prices, and 48.2 percent saw declines in contract and sales volume.

Favorable effects for 64.8 percent of respondents included lower procurement prices of imported goods, and 35.2 percent cited lower import prices of raw materials, fuel and parts.

Finland Foreign Minister Meets Counterpart

OW2410143594 Tokyo KYODO in English 1408 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Finland will endorse Japan's bid for a permanent membership on the UN Security Council [UNSC], visiting Finnish Foreign Minister Heikki Haavisto said Monday [24 October].

In a meeting with Foreign Minister Yohei Kono, Haavisto said Japan should play a greater role on global issues and that if the number of UNSC member states is increased, Japan should be one of them, according to officials.

In late September at the UN General Assembly in New York, Kono expressed Japan's hope to become a permanent UNSC member, which is currently made up of Britain, China, France, the United States and Russia, all victors of World War II.

Haavisto is on a four-day visit to Japan and will discuss bilateral and international affairs before his departure Wednesday.

This year marks the 75th anniversary of the establishment of diplomatic relations between Japan and Finland.

Haavisto Meets With Murayama

OW2510111794 Tokyo KYODO in English 1044 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—Finnish Foreign Minister Heikki Haavisto vowed efforts Tuesday [25 October] to prevent the European Union

(EU) from degenerating into a protectionist trade "fortress," only days after the nation voted to join the EU, Japanese officials said.

Haavisto made the remark at a meeting with Prime Minister Tomiichi Murayama at the premier's official residence.

Finland "would like to push the whole European Union toward the direction of free trade without transforming Europe into a fortress," the minister was quoted as telling Murayama.

The officials said Haavisto asked Murayama to pay a visit to Finland, where Finnish voters decided at a plebiscite called earlier this month to integrate their nation into the EU next year.

Murayama was quoted as saying he would like to comply with the invitation if he has the opportunity.

Sony To Establish Joint Venture in SRV

OW2410093394 Tokyo KYODO in English 0821 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Sony Corp. announced plans Monday [24 October] to establish a joint venture next month in Vietnam for production and marketing of audiovisual equipment.

The Ho Chi Minh City-based Sony Vietnam Ltd. will be capitalized at 2 million U.S. dollars and owned 70 percent by Sony and 30 percent by Vietnam's state-owned Viettronics Tan Binh Co., Sony said.

Sony's first direct investment in Vietnamese manufacturing operations after the reunification of North and South Vietnam has been made possible by the Vietnamese Government's policy of economic liberalization and normalization of trade relations following the removal of the U.S. trade embargo, officials said.

The joint venture will initially produce 14- and 21-inch color television sets, radio cassette players and other audio products for the Vietnamese market, they said. It will have an annual production capacity of 100,000 each for TV sets and audio products, the officials said.

Government Officially Decides on Farm Package

OW2510032094 Tokyo KYODO in English 0250 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—The Japanese Government officially decided Tuesday [25 October] on a package of domestic agricultural measures with budgetary appropriations of 6.01 trillion yen, to meet the requirements of the Uruguay Round accord. The government compiled the package based on the results of tough-going negotiations, which continued until early Saturday, between the government and the ruling coalition parties.

The measures will be implemented in fiscal 1995-2000, when the Uruguay Round accord is scheduled to be enforced.

Prime Minister Tomiichi Murayama said that the government will do its best to promote individual projects in the package so that Japan's agriculture establish itself and enjoy sustainable development.

Agriculture, Forestry and Fisheries Minister Taichiro Okawara said, "enforcement of projects is important. As a next step, the ministry is planning to grapple with legal and budgetary measures to secure farmers' successors."

"If projects are implemented in an accurate manner, we will be able to meet with such international requirements" as minimum access of foreign rice to the Japanese market, Okawara said.

Under the package, the government will implement the fourth land improvement plan steadily, contributing to speedy development of agricultural infrastructure and improvement of productivity.

The program of soft loans, carrying interest of 2.5 percent per annum, will be established to help farmers repay their debts. Subsidiaries for enrichment of land are included in the package. Interest-free loans are also included in the program to encourage more people to engage in agriculture. With these measures, the government hopes to keep the number of farmers and agricultural bodies at 350,000-400,000.

In the package, the government aims to strengthen buying of farm land by local governments, so that the better farmers can get the larger area of farm land. Introduction of new farm products will be urged in mountainous areas.

Separately, the government secured budget of 1.2 trillion yen, which will be utilized for assistance to villages and towns which depend chiefly on farming and fishing.

The package also proposed that the staple food control law should be abolished and a new system, under which supply-demand balance is adjusted by production and inventory adjustment, be introduced.

Takemura Voices Concern Over Rise in Yen

OW2510032594 Tokyo KYODO in English 0129 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—Finance Minister Masayoshi Takemura expressed concern Tuesday [25 October] over the yen's further gain against the dollar in the foreign exchange markets.

"I am worried about the yen's rapid rise, which is undesirable from the viewpoint of economic fundamentals," Takemura said at a press conference after a regular cabinet meeting.

Takemura said he will keep an eye on developments in currency rates so as to take action in a timely and appropriate manner.

Asked about possible adverse effects of a stronger yen on the economy, Takemura said he cannot tell without ascertaining at what level the dollar-yen exchange rate may stabilize.

Meanwhile, Takemura expressed regret at the fact that many Japan Tobacco Inc. (JT) shares were left unsold.

The Finance Ministry has decided to freeze the sale of these leftover JT shares for the fiscal year which ends next March 31, considering the actual circumstances, Takemura said.

Takemura said the ministry will review the process of selling shares of the former state-run tobacco and salt monopoly in a bid to find a remedy.

Turning to a hike in the consumption tax scheduled for April 1997, Takemura showed a negative attitude toward suggestions that the rate on foodstuffs be reduced. Such proposals could be considered in the future "when the tax rate will be further raised" from the planned 5 percent, he said.

Takemura said the easing of the tax rate on foods, which he termed "a mere hypothesis," could be based on a much higher sales-based tax, referring to examples of double-digit indirect taxes in the United States and Europe. It is necessary to raise the entire tax rate further to reduce the rate on foods, Takemura said. Even with a consumption tax rate of 3 to 5 percent, he said, it is hard to secure enough fiscal resources for social welfare.

Hashimoto Urges BOJ Action To Arrest Yen Surge

OW2510012494 Tokyo KYODO in English 0111 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—International Trade and Industry Minister Ryutaro Hashimoto urged monetary authorities Tuesday [25 October] to take adequate steps to stem the yen's surge against the U.S. dollar.

In a press conference, Hashimoto expressed strong concern over the yen's recent surge, terming the development "very serious." "I am very concerned about it," he said.

"I hope the monetary authorities will take steps so that the yen-dollar exchange rate will reflect the countries' economic fundamentals," he said.

Hashimoto made the comments after the dollar's renewed slip below 97 yen in early morning trading in Tokyo. The U.S. currency was trading midmorning at about 96.80-90 yen after opening at 96.93 yen, down 0.47 yen from monday's close.

Hashimoto said, "I hope an exchange mechanism of the Group of Seven (G-7) key leading countries will work in currency markets."

In his latest meeting with a Taiwan minister during the Osaka conference of the Asia-Pacific Economic Cooperation (APEC) forum, Hashimoto said the meeting was held in line with "the purpose of APEC."

Hashimoto met with Taiwan's Economic Affairs Minister Chiang Ping-kun during the APEC meeting on small companies Saturday, ending a 22-year freeze in cabinet-level talks between Tokyo and Taipei.

"I met with a minister of Chinese Taipei at the APEC meeting. In such a meeting, we should not discuss topics not related to APEC," Hashimoto said, indicating his meeting with Chiang is justifiable because discussion was confined to APEC matters.

Japan has not held cabinet-level meetings with Taiwan after shifting its diplomatic ties from Taipei to Beijing in 1972.

The Hashimoto-Chiang meeting triggered a strong protest from Beijing, which said in a joint press conference for the APEC conference, "We strongly hope the host country carefully copes with this sensitive issue."

Mori Says A-Bomb Victim Compensation 'Difficult'

OW2210131594 Tokyo KYODO in English 0637 GMT 22 Oct 94

[FBIS Transcribed Text] Oita, Japan, Oct. 22 KYODO—A leader of the Liberal Democratic Party (LDP) said Saturday [22 October] that giving government compensation to victims of the atomic bombings of Hiroshima and Nagasaki in August 1945 is difficult since it would set a precedent for other war victims.

"If we pay government compensation we would have to expand it to all war victims including those abroad," LDP Secretary General Yoshiro Mori said in a speech at a party seminar in Oita on the westernmost main island of Kyushu.

He said that not only did the two major parties in the ruling coalition, the LDP and Social Democratic Party (SDP), consider such an approach "difficult," but similar misgivings were also being voiced from within the opposition Shinseito (Japan Renewal Party).

Japan's A-bomb victims, known as "Hibakusha", many of whom are suffering from symptoms of radiation sickness and other aftereffects, have for decades been calling for a special law pledging financial assistance.

Relevant bills were twice adopted by the House of Councillors, in December 1989 and April 1992, but failed subsequently to pass the House of Representatives due to resistance from the LDP, which then monopolized power.

Mori also expressed his party's intention to continue the current coalition with the SDP and new party Sakigake [Harbinger], an LDP splinter group.

"The three-party coalition came about like an arranged marriage, but we would like to develop deep relations among us going even beyond those in a marriage for love," Mori said.

He also harshly criticized moves by the parliamentary group Kaikaku (Renovation) to found a unified opposition party, calling them an attempt to crush the LDP and the SDP.

Takemura Hints at Additional Consumption Tax Hike

OW2410140694 Tokyo KYODO in English 1228 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Finance Minister Masayoshi Takemura hinted Monday [24 October] at the possibility of an additional hike in the consumption tax to cover rapidly growing social welfare expenditures.

Takemura, speaking at a meeting of the House of Representatives special committee on tax reform, said the current tax reform program is not enough to cope with the financial needs for improving social welfare. The tax plan up for Diet approval calls for raising the consumption tax to 5 percent from the present 3 percent, effective April 1, 1997 in return for income and residence tax cuts.

"The 5 percent tax rate was set as a temporary measure, and the tax reform will not be effective enough in meeting the financial needs of social welfare," Takemura told the session.

He pointed out the fact that an appropriation of about 700 billion yen will be required for the three-year period from next fiscal year to push ahead with the government's plan for health care and welfare for the aging population.

Observers said Takemura's remarks hinted at the possibility of a second hike in the consumption tax rate.

Prime Minister Tomiichi Murayama told the same committee meeting it would be difficult to exempt foods and beverages from the consumption tax when the tax rate is raised in fiscal 1997. He added, however, the government will continue studying the tax exemption question.

Kono Rules Out Early General Election

OW2210090294 Tokyo KYODO in English 0837 GMT 22 Oct 94

[FBIS Transcribed Excerpt] Maebashi, Japan, Oct. 22 KYODO—Foreign Minister Yohei Kono flatly rejected an opposition demand Saturday [22 October] for Prime Minister Tomiichi Murayama to speedily dissolve the House of Representatives and hold a general election.

"There is no sufficient reason to immediately go to the people," Kono told a news conference in Maebashi, north of Tokyo.

"Given the slow economy, it is not appropriate to bring about a vacuum in politics," said Kono, head of the Liberal Democratic Party (LDP), the major coalition partner of Murayama's Social Democratic Party (SDP).

Kono, who doubles as deputy prime minister, said politicians can discover the public's views not only through a lower house election but through the House of Councillors election slated for next summer. The opposition camp has asked Murayama to dissolve the lower house immediately after a new electoral system becomes effective following debate and voting in the current Diet session.

The new electoral system for the lower house would replace the current multiseat constituency system with a combination of a single-seat system and proportional representation. [passage omitted]

LDP Leader Renews Opposition to Early Election

OW2410055194 Tokyo KYODO in English 0544 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—A senior leader of the ruling Liberal Democratic Party (LDP) renewed his opposition Monday [24 October] to the idea of calling a general election soon after a new polling system takes effect within the year.

LDP Vice President Keizo Obuchi said in a lecture, "the opposition camp demands a dissolution of the House of Representatives for a snap general election as soon as a bill redrawing an electoral map for lower house elections passes into law."

"(But) I believe the next general poll should be contested at around the fall of the year after next after each and every party carefully selects its candidates and lays the groundwork for voters' judgment," he said.

Obuchi also cited the need for Japan to chart the course it is traveling in the 21st century, noting both the ruling and opposition camps should discuss this in the Diet now instead of holding a general election.

Obuchi is a protege of Former Prime Minister Noboru Takeshita, who is widely believed to be a mastermind of the current tripartite coalition government comprising the LDP, Prime Minister Tomiichi Murayama's Social Democratic Party [Social Democratic Party of Japan-SDPJ] and New Party Sakigake.

The Diet in January legislated a package of four political reform bills aimed at introducing a new electoral system for lower house elections, which combines single-seat constituencies with proportional representation. The passage of the redistricting bill is required for the next general election to be lawfully contested.

Tokyo Sets Dates for Unified Local Elections

OW2510005894 Tokyo KYODO in English 0045 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—The government Tuesday [25 October] set final dates for unified local elections of local assemblies, governors, mayors and town and village heads on April 9 and April 23, officials said. A bill adopted at the day's cabinet meeting set voting for governors, mayors and municipal assemblies of 11 designated large cities at April 9.

Voting for Tokyo's ward heads and ward assemblies, mayors and town and village heads as well as local assemblies is set for April 23.

In the 13th round of unified local elections, voting to choose governors will take place in 12 prefectures, including Tokyo, Osaka and Hokkaido.

In Tokyo, Gov. Shunichi Suzuki, now in his mid-80s after 15 years in office, has already hinted he will retire.

The Diet is expected to approve mid-November the special bill on the local elections together with new electoral map legislation for the House of Representatives, government officials said.

Local Elections To Test New Political Alliances

OW2310093494 Tokyo KYODO in English 0857 GMT 23 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO—A total of 2,482 local assemblies as well as governors, mayors and town and village heads, will face election throughout Japan in April, in the biggest test of political will since the advent of coalition government politics, a KYODO News Service survey found Sunday [23 October].

In the 13th round of unified local elections since their advent in 1947, voting to choose governors will take place in 12 prefectures, including Tokyo, Osaka and Hokkaido.

In Tokyo, Gov. Shunichi Suzuki, now in his mid-80s after 15 years in office, has already hinted he will retire while Hokkaido Gov. Takahiro Yokomichi, who became governor in 1983, has said he will not stand for reelection.

Elections for 44 prefectural assemblies will also serve as a barometer of the success of the new political party expected to be formed from the present noncommunist opposition forces at the yearend. The new party is expected to treat the elections as a forerunner for its participation in the next summer House of Councillors election.

Gubernatorial elections will take place in Akita, Fukui, Fukuoka, Hokkaido, Iwate, Kanagawa, Oita, Osaka, Saga, Shimane, Tokyo and Tottori.

Voting for prefectural assemblies will not be held in Ibaraki, Okinawa or Tokyo.

Voting for the municipal assemblies of 11 designated large cities, including Chiba, Hiroshima, Nagoya, Osaka and Sendai will also take place.

The elections also include voting to choose the mayors and ward heads of 132 cities and wards, the members of 409 city and ward assemblies, 606 town and village heads and 1,267 town and village assemblies.

The first round of unified local elections was held in 1947 as a way of maintaining public interest in them. At that time, all local governments participated, but the number of participating governments has dropped since then. In the previous round in 1991, the participation rate dropped to 2,534 elections, or only 38 percent of all local bodies in the nation.

In addition to Ibaraki Prefecture not being present in the gubernatorial vote in next year's round, there will be 40 fewer elections for town and village heads. Altogether, there will be 52 fewer elections than in 1991.

On Oct. 25, the national government is expected to set final dates for the elections.

Voting for governorships, prefectural assemblies, mayors of designated cities, and their assemblies will be held on April 9, followed by voting for mayors of other cities, designated wards in Tokyo, town and village heads, and their assemblies, on April 23.

Takemura Skeptical About Single Ruling Party

OW2210115694 Tokyo KYODO in English 1113 GMT 22 Oct 94

[FBIS Transcribed Text] Yokohama, Oct. 22 KYODO—Masayoshi Takemura, leader of new party Sakigake [Harbinger], expressed doubt Saturday [22 October] that his party would unite with its two ruling coalition partners, the Liberal Democratic Party (LDP) and the Social Democratic Party (SDP).

"There are not many people who are in favor of a unified party," Takemura said at a news conference in Yokohama, Kanagawa Prefecture, south of Tokyo.

He made the comment as noncommunist opposition parties are preparing to launch a single party at a convention in Yokohama in December.

Takemura, who is also finance minister, said he is opposed to an early dissolution of the powerful House of Representatives for a snap election. Some members of the ruling coalition are calling for a general election after the passage of new legislation redrawing the electoral map.

LDP's Political Power Stance Questioned

942A0628A Tokyo GENDAI in Japanese Sep 94 pp 102-105

[Article by Takao Iwami, adviser to MAINICHI SHIMBUN Editorial Bureau: "'LDP, Is Everything Fine as Long as You Are in the Government?' Number 19 in Series 'Nagata-cho Watching'"]

[FBIS Translated Text] **Slipshod Manufacture of a Prime Minister**

The point in the politics of the last few years which we should be most concerned about is the fact that the post of prime minister, "Japan's face," has been treated in terms of political maneuver. It is the impression that prime ministers have been manufactured in a slipshod manner in a place separated from national hopes and with no relation to such things as the will of the people.

It is said that, in regard to the fact that, this time, the Liberal Democratic Party [LDP] succeeded in recapturing governing power by supporting Social Democratic Party of Japan [SDPJ] Chairman Tomiichi Murayama, LDP President Yohei Kono stated: "The fact that we backed the leader of another party as a candidate for prime minister may become a big stain on the LDP's history, but we could not allow the (former coalition) government, which did nothing and had no policy on business conditions, to take its course. We chose the path of getting the chaos of the political situation under control and building a stable government, even if we take a step backward," (19 July at the LDP national conference of delegates). The word "stain" was used. The LDP ventured to create "Prime Minister Murayama" by a political maneuver, knowing full well that it was a choice that could stain the party's history. There is no doubt that a careful inquiry into the question of whether Murayama was the right person for the prime ministership was given a low priority. Murayama's personal popularity after that is only an accidental phenomenon.

Why did the LDP support Murayama? There is nothing difficult about that. First, there was the sense of crisis that unless the LDP recovered governing power at this juncture, even by behaving unreasonably, the party's influence would further taper off, and it might very well lose forever the chance to return to government. Second, but since it already lacked the power to recapture political power by a frontal attack, probably the only way was to first join the ruling parties of a government, even if it used the emergency measure of supporting the leader of a hostile party. For the delegate from Kagoshima to say at the national conference of delegates: "The phones at prefectural headquarters never stopped ringing with complaints against the LDP-SDPJ coalition government. It is unbelievable, even if the SDPJ changed," is a natural reaction. It was something that one cannot be convinced easily .

Moreover, can the LDP take responsibility concerning whether the leader of another party possesses eligibility as a prime minister? It is inconceivable that Murayama had adequate preparation to be prime minister, and that was clearly evident as well in the incident of his unprepared admission to a hospital at the Naples summit. As might be expected, one must consider it a case of slipshod manufacture.

The Recapitulation of the 1955 Setup Is Ambiguous

In response to Shinseito President Tsutomu Hata, who left the post of prime minister in the latest drama of change of government, having taken him to task in interpellations at the extraordinary session of the Diet (20 July) by saying: "Is it not truly an irresponsible coalition, a case of two arch enemies placed in the same boat, for the political parties which were the lead actors in the 1955 setup, which was called LDP-SDPJ collusion, to join together on the stage this time, without having any discussion on policy, and advocate reforms which are only a matter of form," Prime Minister Murayama replied: "In this cabinet, three parties which have put an end to the so-called 1955 setup and trod a different path have joined forces based on determination to reform themselves with the object of a government which is more stable and which better reflects the will of the people." Murayama's answer completely ignored the question. Hata is a leader who left the LDP in order to close the curtain on the 1955 setup, and Murayama is only a supporting actor in the 1955 setup. The discussion of the 1955 setup by these two has a ring of indifference and is conspicuously lacking in poignancy.

The leading actor in the 1955 setup was the LDP. The LDP's one-party rule is the framework of that setup. President Kono says: "In the period since 1955 the LDP and the SDPJ were supported by a relationship of propping each other up. The 1955 setup has both bright and dark aspects. Now only the dark apects are being criticized, but we must also not forget the bright aspects." In other words, Kono takes exception to a realignment of the political landscape that advances in the midst of a trend which seems to reject totally the 1955 setup. Be that as it may; however, the meaning of the leading and supporting actors of a former setup joining hands again at one stroke, with the recapitulation of the former system having been made ambiguous, and, moreover, with the post of prime minister ending up being turned over to the supporting actor, is being questioned.

There is strong suspicion that, because of excessive haste to recapture political power, the LDP may have underestimated its responsibility as the overwhelmingly first party in comparative terms, which has 200 members in the lower house. That was manifest in the fact that within a short time after taking office as prime minister, by declaring: "firm adherance to the Japan-U.S. Security Treaty" and "constitutionality of the Self-Defense Forces," Murayama settled easily subjects which the SDPJ had continued to agonize over for a long time.

The SDPJ is already not the SDPJ. This sudden change was not a result which first digested intraparty debate in a proper manner. Next, it is a change which it certainly did not exhibit when it was a member of the former coalition parties. In other words, it is something like a chemical reaction that occurred the instant in which the SDPJ acquired the post of "prime minister," and it also became something that displays the awesome occult power contained in authority.

This is immediately substituted for the LDP's responsibility. At first glance, it does give the impression that the SDPJ rapidly assimilated to the LDP, and that a stable government has begun; however, if you change the way of looking at it, it is also a phenomenon of an unnatural merger which came into being by the LDP giving the post of "prime minister" to the SDPJ.

The LDP's Crisis Has Deepened

In the view of the general public, for voters who supported the SDPJ, there is probably a strong sense of malaise toward the fact that the basic policies of that party go on deteriorating in a form of Murayama's personal judgement. For voters who supported the LDP on the other hand, there must remain something which is not satisfied with having yielded the post of prime minister to a party that has only one-third the LDP's strength even though it is an era of coalition government.

As a contest for political power, the explanation that it is a victory for the LDP-SDPJ team may suffice, but if asked if the recent irregular change of government is desirable as the proper nature of party politics, the answer would have to be: no. It seems that such a guilty conscience was hidden behind the fact that Kono ventured to adopt the expression "stain."

At least, the crisis-like condition that the LDP has tasted in the last few years has not improved by its return to being a governing party. Rather we should interpret it as the crisis having deepened.

A frank manifestation of that is the collapse, for all practical purposes, of the LDP's highest advisory council. The highest advisory council is an entity like a shogun's advisers for the party executive, which consists of the prime minister (president), the speaker of the lower house and president of the upper house, and persons who have served as vice president of the party. At present it has seven members. On 12 July, one of the members, former lower house speaker Hajime Tamura, visited President Kono and proposed his own resignation as adviser and abolition of the system saying, "In the final vote on designating the prime minister, three supreme advisers acted against party policy, so the authority of the advisory council was lost. In spite of the fact that supreme adviser should take the kind of action that is a barometer of political circles, there are some who played a major role in a a political dispute and became a target of young Diet members' ridicule." The three persons refers to former Prime Minister Yasuhiro Nakasone, who voted for former Prime Minister Toshiki Kaifu; former Prime Minister Sosuke Uno, who cast a blank ballot; and former Party Vice President Susumu Nikaido, who abstained from voting. Tamura criticized them, saying: "it is truly elderly mischief," but it is not only that. They surely are aware of themselves as supreme advisers, so after each adviser thought the matter through, their handling was strikingly in disarray. Because the party has a long history, their strong resistance against pushing another party's prime minister is only natural. Nakasone went to the trouble of holding a press conference before the event and concluded that supporting Murayama "is contrary to the national interest." That is also one judgement. The very fact that the kind of party policy on which the supreme advisers could not go along was decided on is proof that the LDP has lost its sense of unity as a party.

Furthermore, behind the support of Murayama, some influential leaders, who represent the old character of the LDP, like former Prime Minister Noboru Takeshita and former Secretary General Seiroku Kajiyama played a considerable role. Admitting that, Kajiyama said: "Even we are uneasy (about the Murayama cabinet). But it will be unfortunate for Japan if the new coalition of cooperation between the LDP and SDPJ does not go well." But is this way of doing things a sufficiently epoch-making choice to to decide Japan's good or ill fortune?

The Will of the People Should Be Asked at an Early Stage

There are already some doubts concerning the new government. First, in his keynote address Prime Minister Murayama had to hoist aloft such painful slogans as "politics that is kind to people," but a guidepost to the politics which the LDP-SDPJ-Sakigake three party coalition is aiming at was nowhere to be seen. One can gather that the feelings of the three parties seem to go together, but that is the extent of it, positive merit of the three party coalition still does not come across.

Second, Kono and his group say that they aim at "a stable, genuine government," but stability is not only stability of numbers; a feeling of stability in the aspects of principles and policies is more important. Murayama is said to have characterized it in manner like citing a list "a government of liberals and doves who defend the Consitution," but unless there is set forth, not that kind of appropriate explanation, something with a greater feeling of weight, it will never lead to a positive assessment of the essentially unreasonable union called the LDP-SDPJ coalition.

Third, what concerns one is its lack of desire to obtain the judgment of the people. In the past year, though there were dramatic changes which strain the imagination, and although the government changed three times, the people of the nation were not given an opportunity to express their will. It is unacceptable that there are signs that, in spite of that, dissolution of the Diet and a general election will be put off because of such circumstances on the side of the coalition governing parties as having diffuculty in coordinating candidates for the election. If, though reforming the election system, one does not put it to use at an early stage, it can probably not be helped if one's eagerness for reform is fundamentally doubted.

The LDP, the primary party of the coalition, must take responsibility and confront the above doubts. If it seeks only compatibility of the LDP and the SDPJ in an easygoing manner and tries to make it look plausible by excessive compromise, the attraction of the three-party coalition will be lost.

There is ample danger of seeking refuge in a "new 1955 setup" in the form of new collusion between the LDP and the SDPJ, but if that happened the LDP would have no future. The LDP has reached a perilous place.

BOJ Branch Managers Begin Quarterly Meeting

OW2410014494 Tokyo KYODO in English 0043 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Branch managers of the Bank of Japan (BOJ) kicked off their quarterly meeting Monday [24 October] morning to assess regional economic conditions and monetary policy. Managers of 33 domestic branches and representative offices in New York, London and Hong Kong gathered in Tokyo for the three-day meeting.

Attention is fixed on how BOJ Governor Yasushi Mieno will read regional economic reports by his branch managers, which are expected to paint a rosier picture, to assess the state of Japan's overall economy and to decide on monetary policy.

Mieno will hold a news conference Wednesday to offer his assessments amid renewed concern about the yen's further gain against the dollar.

On Friday, the dollar momentarily slid below its previous global postwar low of 96.60 yen to 96.55 yen and closed at 96.68 yen, down 0.95 yen from Thursday.

In the previous July meeting, the managers voiced concern over the dollar's plunge that briefly hit below a postwar low of 98 yen, but maintained their wait-and-see policy to assess the impact on the economy, which they said was finally stepping toward recovery.

In his latest comments, Mieno said the economy is gradually recovering and corporate confidence has clearly improved, while remaining cautious on developments in foreign exchange rates and capital spending.

Close Watch on Forex Rates Needed

OW2410023894 Tokyo KYODO in English 0210 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Bank of Japan Governor Yasushi Mieno on Monday [24 October] pointed to the need for continuing close watch on recently unstable foreign exchange rates.

"Recent foreign exchange rates have stuck in an unstable sentiment and it is necessary to continue keeping an eye on their developments," Mieno said in an opening address at a three-day quarterly meeting of the central bank's branch managers and overseas representatives.

Expected deflationary effects of a stronger yen, however, have so far been offset by increasing overseas demand, Mieno said.

While saying Japan's economy is recovering gradually and corporate confidence has clearly improved, Mieno cited foreign exchange developments as one of factors to be carefully monitored in giving views on economic outlook.

It is also necessary to ascertain whether private consumption will follow a steady recovery path after the scorching summer as well as to carefully watch trends of still sluggish capital spending, he said. Taking into consideration these points, the central bank should carefully examine the sustainability and pace of the nation's economic recovery, Mieno said.

For foreign exchange rates, it will take appropriate and timely measures in the currency markets with close contact with major nations as in the past, Mieno said.

Turning to the monetary scene, Mieno said long-term interest rates have slowly risen with some ups and downs and money market rates have also somewhat firmed on the back of improving market sentiment.

The central bank will carefully monitor developments of economic and monetary situations without any predictions, with a view to putting Japan's economy on a noninflationary, sustained growth track, he said. On financial systems, it is necessary to continue positively tackling bad loans, Mieno said.

The central bank will make efforts to build up stable and efficient financial systems in cooperation with central banks of each nation regarding the derivatives market and infrastructure improvement like accounting systems, he said.

Discuss Rising Yen, Structural Change

OW2410141994 Tokyo KYODO in English 0956 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—The yen's recent rise, as well as structural changes, has stuck a thorn of caution in the side of corporate confidence despite significantly improving economic data since three months ago, Bank of Japan [BOJ] branch managers said Monday [24 October].

In Tokyo for a three-day quarterly meeting until Wednesday, regional central bank managers reported brighter signs on a broad front, backing up their Governor Yasushi Mieno's latest comments that the economy is gradually recovering. However, the regional managers voiced concern about the dollar's drop over the past weeks, as it briefly hit a postwar global low of 96.55 yen.

"The yen's resurgence and ongoing industrial adjustments are tough on corporate minds and management remains cautious," said Osaka branch manager and BOJ Executive Director Tadayo Homma.

Homma said at a press conference that although his region's economy has broadly advanced toward recovery, the mood of corporate managers has not kept pace with the improvements in economic data.

"We cannot be outwardly pleased," Homma said, referring to the yen's renewed gains, the downward trend in prices, the shifting of manufacturing operations overseas, and the increased penetration of imports.

In an opening address, Mieno also expressed concern over the yen's rise, saying, "recent foreign exchange rates have been mired in unstable sentiments and it is necessary to continue keeping an eye on their developments."

At the same time, Mieno said the expected deflationary effects of a stronger yen have so far been offset by increasing overseas demand.

Mieno said the central bank will take timely, appropriate action in the currency markets while maintaining close contact with other major nations, as in the past.

Market participants are focusing attention on the three-day BOJ meeting to see how Mieno will read regional reports by his branch managers to assess the state of Japan's overall economy and set monetary policy.

On credit policy, Mieno reiterated that the central bank will carefully monitor developments of the economic and monetary situations without making any predictions and with a view to putting the economy on a noninflationary, sustained growth track.

Mieno is scheduled to hold a news conference on Wednesday, wrapping up the meeting attended by the managers of 33 domestic branches and representative offices in New York, London and Hong Kong.

Osaka Manager Homma, whose area encompasses Matsushita Electric Industrial Co. and other major electronics makers, said individual consumption, notably on consumer electronics and passenger cars has continued improving and exports have also increased on the back of economic recovery overseas.

Capital spending began showing signs of bottoming out, while adjustment pressures remain on employment, particularly in the manufacturing sector, Homma said.

The September opening of the Kansai International Airport has contributed partly to the brighter atmosphere, encouraging private consumption and exports through an activated flow of people, he said.

Asked whether the yen's advance could further promote the shift of Japanese production overseas, Homma said the recent tendency toward overseas manufacturing bases has been especially due to cheaper labor costs and local demand, regardless of the yen's appreciation. Given clearer incentives to operate overseas, manufacturers started giving closer consideration to domestic production priorities, dividing their operations to some extent, he said.

Speaking at a separate press conference, Takahiro Kawase, manager of the Nagoya branch, whose area encompasses Toyota Motor Corp. and related auto parts makers, said many companies remain cautious on capital investment at home, while shifting production overseas.

Kawase said the yen's appreciation is expected to have slight impact on exports of automobiles and machine tools in terms of volume with the help of improved overseas economies, despite negative effects in terms of profits.

Echoing the economic predictions of other BOJ managers, Kawase said the recovery will be at a slow pace and will have difficulty to gain any impetus.

Fukuoka branch manager Yasuo Katagiri said the economy is unlikely to go into a stall again, but it will take a while to see full-scale, strong recovery, citing a lingering excess of corporate production equipment.

Bank of Japan Urged To Become More Independent

952A0028A Tokyo EKONOMISUTO in Japanese 27 Sep 94 pp 70-73

[Article by Fumio Banno, Daito Bunka University lecturer: "BOJ, Don't Hesitate To Become Independent"]

[FBIS Translated Excerpt] *Central banks in Europe and the United States are now working on the establishment of their independence. One reason is the heightened importance of monetary policy. The Bank of Japan (BOJ) should discard its "old mantle" as a means to win international confidence.* [passage omitted]

Japan Bank Law, a Relic of the Last Era

Movements to establish a unified European currency have touched off a major move to revise the Bank of Japan (BOJ) Law in Japan. The move was instigated by the recent revelation that the British parliament had placed an inquiry concerning Japanese systems in connection with reform of the Bank of England.

The BOJ Law was approved in 1942 and is one of the few severely outdated laws that is composed in archaic Japanese language with katakana characters. The law is developed using the Reichsbank Law as a model for the purpose of executing a wartime economy and is replete with passages of an alarming nature. The contents are unilateral with provisions such as Section 2 which reads, "The law is dedicated to the mission of attaining national objectives," and BOJ's relationship with the government is covered in Section 42 which reads, "The principal minister in charge will supervise the [BOJ]."

Further, Section 47 reads, "When determined necessary under special circumstances, the cabinet can remove the governor or deputy governor of the bank, while the principal minister in charge can remove any director, auditor, or councilor," typical of laws for developing nations.

The BOJ Law as a whole is couched in language of this nature that totally disregards the independence of the BOJ, but during the occupation in 1949, General Headquarters, U.S. Forces, recommended partial revision of the law, providing for the establishment of a policy committee as the highest agency for independently determining monetary policy. The revision enabled establishment of independence, but the law was neither rewritten to clearly define independence nor was it rewritten in its entirety, leaving much in the way of anachronistic provisions.

As may be expected, several movements were initiated to revise the law. In 1957, the Financial System Research Council was directed by the government to conduct deliberations of the revision of the BOJ Law and completed a recommendation after three years of research. The recommendation urged a complete revision of the law compatible with the new age and with respect to the issue of independence stated, "There is a need for special consideration lest the BOJ policy be impacted by influences that threaten currency values." However, because of the concept that "Monetary policies of the central bank must maintain a high level of uniformity with government economic policies," the position was taken that "relative neutrality (independence) would be recognized. However, provisions concerning the authority to remove the BOJ governor were to be eliminated.

Opinions were divided on the question of whether the government should have the authority to issue instructions to the BOJ when government and BOJ policies were in conflict. The final recommendation listed one approach in which instruction authority should be vested with the government and a second approach which said such authority should not be vested in the government. There is no need to mention that it was the government which insisted on the instruction authority. Because of this, a draft revision was never prepared and revision of the law was shelved. In this connection, we should mention that the German Federal Bank Law does not recognize government instruction authority and when a conflict of opinions arises, provisions exist whereby the federal bank postpones implementation of the policy in question for no more than two weeks.

Later in 1964, another move was initiated to revise the law. Revision of the BOJ Law was sought as one link in the globalization of the monetary system amidst the full-scale growth of the Japanese economy. On that occasion a draft revision was compiled under the leadership of the Ministry of Finance (MOF), but with respect to instruction authority, vague expressions were used reading, "Whenever the MOF felt there was a need to coordinate with policies of the government, the BOJ must consult and coordinate its views with the MOF." However, even in this case, submission to the Diet was abandoned because it was determined that there was not enough time for thorough deliberations because of a House of Councilors election and relationships with other important laws.

Desire for Revision

Subsequently, talk of revising the BOJ Law ceased until recent times. The hope that the law would be revised must have existed as an underlying current, but the absence of near-term problems resulted in its complete neglect. The question is, what are the thoughts of the BOJ concerning revision of the law? The BOJ's reply to the previously mentioned British parliamentary inquiry clearly explains the BOJ position on the issue.

The reply states, "The government possesses greater authority with respect to the BOJ than is the case [with government-central bank relationships] in other nations because it is a law which was made during the war modeled after the Reichsbank Law. However, a partial revision of the law modeled after U.S. laws shortly after the war has preserved the independence of the BOJ." It continues and concludes, "Notwithstanding, it is a law which was made during the war and leaves much to be done, and we are determined to take necessary action sooner or later," indicating the clear desire to revise the law.

However, recent reports of the BOJ top official's statements indicate hesitation for some unknown reason, such as there is no need to make a special effort to revise the law since BOJ independence is adequately preserved. At the present time, the BOJ itself shows no signs of taking the initiative on the issue.

At this point, there is a need to reconsider the reasons central banks worldwide have begun addressing the issue of independence. There is no doubt that the ambitious experiment of EU [European Union] motivated such talk. However, a much greater reason is the somewhat unstable situation in which governments of the advanced industrialized nations that are plagued by huge fiscal deficits place excessive hope on monetary policy.

When faced with difficult fiscal situations, governments quickly mobilize monetary policies. There is logic in the coordinated management of fiscal and monetary policies, but excessive burdens on monetary systems can lead to instability in currencies. That being the case, there has never been a time such as now when there was a strong need to establish the independence of monetary policy.

Accountability is being debated frequently along with independence in connection with the status of central banks primarily in the United States. Since there is no suitable word for "accountability" in the Japanese language, I have used a katakana phonetic version of the word, which essentially means, "provide a thorough explanation to the public of your policies and take responsible actions for the purpose of gaining their understanding."

The U.S. Congress recently made several demands that the Federal Reserve Bank board of governors make public disclosures of information, whereas in Japan debate on the issue lags sorely. However, debate on central bank independence must be discussed simultaneously with the issue of establishing accountability. Democratic principles call for the provision of convincing explanations for public consumption before the recognition of independence.

Consideration of the foregoing situation seems to dictate the arrival of the time for renewing our efforts at revising the BOJ Law. The BOJ itself may find it difficult to make a move toward developing a law that concentrates on its independence. However, if it were to seek a revision that calls for enhanced accountability and an openly managed BOJ, it should be able to gain public support for a position which asserts its independence.

Central Bank Which Enjoys Confidence

Why is it that the Japanese yen which is backed by a strong economy fails to gain commensurate international confidence? Why is it that cries for deregulation exist, but progress is very slow?

If a desire exists to make Tokyo an international monetary center, we must discard archaic mantles which remind us of ghosts of the wartime economy. We are unable to take such action because certain quarters still embrace old perceptions. Possessing a modern central bank that enjoys domestic and international confidence makes for a symbol of an economic democracy.

MOF Advisory Panel To Discuss Derivatives

952A0072A Tokyo NIKKEI KINYU SHIMBUN in Japanese 10 Oct 94 p 2

[Unattributed article in "Kasumigaseki Barometer" column]

[FBIS Translated Text] A decision has finally been reached on the topic to be studied by the Basic Issues Study Subcommittee of the Financial System Research Council, an advisory organ of the finance minister. Supposedly, the subcommittee's debate will be titled, "New Vistas of Bank Brokerage Services" and will center on measures to be taken concerning expanding derivative trading. There is the possibility that the subcommittee will go so far as to discuss the status of specific regulations pertaining to derivatives.

Each year, from August to September, bank officials in charge of maintaining liaison with the Ministry of Finance [MOF] use all means at their disposal to seek information on the topics to be discussed by the Financial System Research Council. The reason is that the direction of discussions by the Financial System Research Council, which are indicative of the basic direction of banking administration, is of concern to all banks. However, this year, according to sources at a planning department of a city bank, "controls on information at the MOF were unprecedentedly strict."

It is uncertain whether an order "prohibiting comment" was issued at the MOF, but it is a fact that decisions were not made on the topics until the very last minute. A research specialist at a leading bank who was summoned by the Banking Bureau in September reveals, "I was asked repeatedly whether I had any good ideas on possible study topics for the Basic Issues Study Committee." There are some who make the penetrating observation that now that the deregulation of financial systems has been completed, "it appears the Financial System Research Council has temporarily run out of 'material.'"

However, at the point where the Basic Issues Study Committee was compiling its interim report in June, tentative decisions had been made on the study topics for the next cycle.

The interim report appealed for the "establishment of a risk control system operated by the financial institutions themselves." In response, the recent Basic Issues Study Committee session was supposed to have debated the residual issue of "what kinds of countermeasures should be taken to prevent repercussions at other financial institutions when one financial institution fails." Specifically, it was supposed to review the deposit insurance system. In fact, an official of the Banking Bureau admits that "review of the deposit insurance system was one option."

The MOF failed to discuss this matter because there was the risk that the discussion would have "resulted in turning to the issue of how to dispose of bad loans at a specific financial institution." We get a glimpse of MOF's desire to avoid the gory details of a given problem bank. However, we know for sure that the current deposit insurance system is fraught with many problems. This may be a case where the MOF merely postponed the disposition of problems.

Editorial Views Interest Rate Deregulation

952A0055A Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Oct 94 p 2

[Editorial: "Pros and Cons of Gradual Pace of Interest Rate Liberalization"]

[FBIS Translated Text] Interest rates on ordinary bank deposits will be decontroled effective today [17 October]. Decontrol of interest rates was initiated in 1985 beginning with time deposits and has finally been implemented on demand deposits. Decontrol of interest rates represented one of the two major facets of financial system reform with the other being the lifting of the ban on banks and securities firms offering services in the opposite sector, but completion of reforms in the two areas marks the completion of Japanese financial liberalization over a period of 10 years.

Some credit unions and credit associations have attempted to compete with savings accounts of the postal saving system which controls the largest share of demand deposits by paying interest at a rate higher than savings deposits at city banks. Further, city banks have diversified ancillary services for savings deposits to compensate for lower current interest rates.

We should probably welcome the competition among financial institutions to improve their services to depositors. However, the Japanese banking industry has always lacked originality in the area of marketing. They have just started to research consumer needs and develop appropriate products, a case of starting to exert efforts which would be expected of an ordinary commercial firm.

The special characteristic of Japan's deregulation of interest rates is that it was implemented on a gradual basis in contrast to the United States which took the lead in deregulation actions. The Ministry of Finance [MOF] which faced a demand for financial deregulation from the United States in the Yen-Dollar Committee, organized a program for gradual liberalization over a number of years.

There was a reason for such an approach. The reason is that Japanese financial institutions were thoroughly accustomed to copycat management under a vertical management or controlled interest system known as the "four-and-a-half-mat [severely restricted] interest rate system." If the Japanese banks had been suddenly exposed to free competition, it would have been intolerable from a management viewpoint and could have caused turmoil in terms of credit discipline.

Further, signs had begun to appear that all facets of deregulation under Reaganomics were not rosy. When deposit interest rates were decontrolled and options were expanded on the types of assets which could be acquired in the United States under the Depository Institutions Deregulation and Monetary Control Act (DIDMCA) of 1980 and the Garn-Saint Germain Depository Institutions Act of 1982, savings and loan associations concentrated on broker loans carrying high interest rates and real estate investments.

As a result, by the end of the 1980's, many savings and loans failed and many leading commercial banks ran into operating crises. Memories are still fresh of the $130 billion relief program undertaken by the U.S. Government using the Resolution Trust Corporation (RTC). In contrast, it appears Japan was able to avoid the direct turmoil from interest-rate decontrol by allowing plenty of time for implementation of the decontrol program.

However, the question is, how much progress have we realized in the area of service enhancements and improvements in management efficiencies through free competition among financial institutions as initially visualized by the MOF? Why is it that a dark shadow has been cast over today's Japanese financial industry through instability in credit discipline and drop in credibility of financial institutions, situations which were supposed to be avoided?

Initially conceivable are the contrary effects of the gradual decontrol process. Because initially decontrolled interest rates were limited to some of the major time deposits, financial institutions did not pursue acquisition of high-return deposits, but gave priority to quantitative expansion of loans rather than attaining management efficiencies. Such moves led to the principle of seeking real estate as loan collateral and development of loans with high returns, serving as the cause for the bubble along with sharp increases in land and stock prices.

Financial institutions are still unable to extricate themselves from the residual effects of the foregoing circumstances. They are taking belated action toward management efficiency and the disposal of nonperforming loans, but it is not easy to restore credibility because action in that area is being taken gradually. The situation in Japan contrasts with that in the United States where a crisis was created by sudden decontrol, but a dramatic operating recovery was made through drastic actions.

Posible as a second cause is that financial decontrol was unable to provide adequate remedies to the structural issue of banks' disintermediation problem.

The disintermediation process involved corporate deemphasis of "indirect financing" through bank loans and a shift to "direct financing" by raising capital in the stock markets, a phenomenon which occurred as the financial and capital markets were decontrolled, leading to bank operating difficulties.

The foregoing process along with reform of the financial system extricated banks from the vertical management system and an attempt was made to provide a new frontier. However, in Japan, banks were confronted by efforts of various industries to protect their vested interests and the new system became an ill-conceived structure calling for the establishment of subsidiaries specializing in specific functions. The reason for this outcome was that financial system reform itself lacked a master plan on how to handle the division of responsibilities between indirect and direct financing.

Moreover, because the disposal of banks' nonperforming loans must be offset by underlying profits on stocks, the sharp decline in stock prices has led to a dead-end street in the form of credit instability. This is why measures have been taken to support stock prices artificially even at the cost of sacrificing the price function of the capital markets.

The foregoing situation has led to a decline in trading volume in the capital markets, decline in liquidity, and dysfunctional state of the direct financing market. In essence, disintermediation of the banks has affected direct financing and manifested "chronic" symptoms which compromised the financial functions of the economy as a whole.

The complete decontrol of interest rates has been only partially coordinated. Financial administration was unable to provide coverage on complete coordination to include structural issues. Most likely, ordinary savings are not experiencing double-digit percentage growth not only because depositors are optimistic about the economy and are increasing highly liquid "deposits established to hold funds for consumption" or because banks have engaged in a competition to solicit ordinary savings accounts in connection with decontrol of interest rates. Rather, the reason probably rests with the vague insecurity of depositors toward private-sector financial institutions.

Even the plan to "conform with private-sector rules" for postal savings which posed an obstacle in the decontrol of demand deposits became a hybrid plan that did not affect the structural issue. It is not difficult to see that the 1-percent difference in interest rates between the government and private sector will once again become an issue in the yearend review by the MOF and the Ministry of Posts and Telecommunications.

However, because so much attention is being directed at the dispute on "oppression of the private sector by the government sector," the debate on how to split roles between government and private-sector financial activities and how to effect a recovery in Japanese financial functions is being neglected.

If creativity is limited to services in connection with savings accounts, the impact will be no greater than that attained by passing out piggy banks and tissue paper as over-the-counter gifts. Depositors are well aware of such limitations. Decontrol of interest rates is only the first milestone on the way to the strategic restructuring of financial systems.

Keidanren Head Seeks More Financial Deregulation

OW2410080694 Tokyo KYODO in English 0706 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—The head of the Federation of Economic Organizations (Keidanren) called Monday [24 October] for further financial deregulation, saying that otherwise Japan's financial industries might be weakened in the coming years.

Keidanren Chairman Shoichiro Toyoda told reporters that interest rates and brokerage commissions should be further deregulated and a proposed revision of the securities trading tax be considered.

The organization is expected to make a new proposal for economic deregulation, covering the financial and other industries, before the end of the month.

Toyoda also criticized the proposed 6 trillion yen government policy package to deal with the Uruguay Round accords on liberalizing agricultural trade, saying some of the policy proposals would not lead to effective farming.

Coalition, MOF Struggle Over Deregulation

952A0073A Tokyo NIKKEI KINYU SHIMBUN in Japanese 3 Oct 94 p 2

[Unattributed article in "Kasumigaseki Barometer" column]

[FBIS Translated Text] The coalition ruling parties and the Ministry of Finance [MOF] have stirred up a bit of controversy over the financial sector.

The ruling parties' administrative reform project team is slated to take up financial systems as a topic for emphasis in connection with deregulation, but the MOF, which will become the target of the reform effort, would like to stage a counteroffensive. However, there is the political motivation stirred by allegations that the former coalition parties were unable to take effective action in the financial sector, thus ensuring an autumn of siege for the MOF.

Deregulation of the financial system has been a smoldering issue in the ruling parties ever since the beginning of the Murayama administration. At one time the ruling party administrative reform team dedicated itself to preparation of an outline for administration reform, along with tax reform, but now that the tax system issue has been brought to a completion, it shows signs of proceeding full steam ahead on financial issues as a specific measure under deregulation.

A deregulation measure was compiled by the Hata cabinet in June as part of the deregulation program and covered 57 items for the financial sector. The measure was superior in terms of number of items covered, but its contents were restricted to "simplification of procedures" and comments about it were not particularly favorable. Moreover, topics concerning information and housing were deliberated by working committees, but the financial portion of the measure was handled solely by the MOF without referral to a working committee.

The new ruling parties commented, "It is odd that the financial sector should be treated as if it were a sacred cow," mainly to give the impression that it is more powerful than the last ruling coalition. Of special note is that the Liberal Democratic Party [LDP] is particularly enthusiastic about its role after regaining government power.

Coincidentally, criticism that regulation by the MOF has caused the hollowing of the Tokyo stock market has also inspired the LDP into initiating action.

The common perception around Kasumigaseki is that a working committee on financial systems was not established under the Hata government as part of deregulation because of resistance and lobbying by the MOF.

It appears the adverse effects of that situation are now having an impact on the MOF, and the Banking, Securities, and International Finance Bureaus, which insist that "regulations are being steadily reduced," now face a predicament.

However, even the ruling parties which are on the offensive have no specific ideas about what should be deregulated and are actually asking banks for their ideas.

The MOF is aware of that situation and will probably make a gradual effort to repel further deregulation efforts. Banks now embrace both hope and disillusionment, but the struggle between the MOF and the ruling parties may turn out to be a long-term battle.

MOF, MHW at Odds Over Public Pension Funds

952A0054A Tokyo NIKKEI KINYU SHIMBUN in Japanese 17 Oct 94 p 2

[Unattributed article: "Negotiations on Investment of Public Pension Funds Running Into Difficulty—MOF Reluctant To Introduce Direct Borrowing System"]

[FBIS Translated Text] The Ministry of Health and Welfare [MHW] is seeking implementation of a direct borrowing system in connection with the next fiscal year budget to provide for the independent management of public funds without going through the Ministry of Finance [MOF] Fund Management Division, but coordination with the MOF is facing difficulties. The reason is that such a system would mean the loss of funds from the Fund Management Division and the MOF shows no signs of approving introduction of the system. The MHW is aware to a degree of the difficulties in obtaining approval, but there are indications that they are aiming for relaxation of other independent management controls as an alternate to approval of the above system.

Basically, premiums collected for public annuity funds are transferred from a special account to the Fund Management Division, where they are used as fiscal investment and loan program funds. The Pension Welfare Public Corporation borrows a portion of those funds and manages them independently. The interest charged on funds from the Fund Management Division is the same as that charged on fiscal investment and loan program funds. The interest rate is fixed for the entire period of the loan from the time of issue until repayment.

The Pension Welfare Public Corporation has recorded a deficit in each of the three fiscal years since fiscal year 1991. The return on investments has fallen because of the impaired investment environment reflected in lingering low stock prices and the drop in interest rates and because fiscal investment and loan program interest rates on loans from the Fund Management Division taken out in the past during the high interest rate period are higher than the interest earned on current investments. The MHW considers the cost of borrowings from the Fund Management Division as a "structural factor" which depresses current income.

The direct borrowing system provides for borrowing funds from the special accounts without going through the Fund Management Division. Interest rates on borrowings would be variable and the minister of health and welfare would determine the rate on the basis of market interest rates so that they do not exceed the rate of return on investments. Specific interest rate determination criteria would be formulated before year end.

The Post Office Life Insurance and Annuities Welfare Corporation under the Ministry of Posts and Telecommunications implemented a system similar to the direct borrowing system beginning this fiscal year, giving MHW some hope that it may realize approval of its proposal. However, it appears the MOF has presented the argument that, "In contrast to Post Office Life Insurance and Annuities Welfare Corporation experience dating back to prewar days, Pension Welfare Public Corporation experience goes back only to 1986."

In connection with the next fiscal year budget, the MHW is seeking approval for lifting of the ban on management of funds by investment advisers and relaxation of restrictions on the percentage of stocks and bonds held in an investment portfolio. Superficial comments on the direct borrowing system indicate, "It is only logical that the MOF has not said it will approve the idea, because the government has not entered into the formal budget negotiation stage," but the annuity trust agencies voice the view that, "Perhaps rather than the direct borrowing system, the real objective is to gain relaxation of regulations on the use of investment advisers and of restrictions on the ratio of different types of assets held in a portfolio."

Steel Chairman Seeks Self-Restraint in Exports

OW2510081894 Tokyo KYODO in English 0751 GMT 25 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO—A top steel industry leader appealed Tuesday [25 October] for self-restraint on exports to stem the yen's advance in currency markets.

"Exports should not be left free. Exports should be restrained as an emergency step to throw cold water on speculation about buying yen for dollars," Hiroshi Saito, chairman of the Japan Iron and Steel Federation, said.

"I don't ask export-oriented companies alone to cut exports. All exports, including those by the steel industry, should be restrained," Saito told a press conference.

Saito blasted the government of Prime Minister Tomiichi Murayama for failing to create appropriate measures to deal with the yen's rise and warned of the danger of an industrial hollowing-out as a result. He pointed to data showing that 5,000 Japanese firms that have started production in Asian nations, such as Thailand and Malaysia, to weather the strong yen.

"We must think of this situation seriously," Saito said.

Toshiba Develops Enviro-Friendly Packing Paper

952A0051A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 14 Oct 94 p 2

[FBIS Translated Text] Toshiba has developed a packing material for color televisions that makes recycled paper into a solid form. The domestic home appliance industry prepared a global environment action plan in 1993 including abolition of designated fluorocarbons and cutting in half the amount of styrene foam used and they have been trying to reduce styrene foam by switching the packing material to cardboard, etc., but this is the first time in the industry to employ recycled paper in a solid form for packing material for heavy household appliances like televisions. The company started with putting on sale a 20-inch television using this packing material in the middle of September and will gradually expand the models using it in the future.

The packing material developed by Toshiba is a solid form where "pulp mold" of liquified recycled paper is poured into a mold. They believe that they have achieved a strength equivalent to existing styrene foam.

For the model put on sale in September, they have switched half to those with this pulp form among four packing materials and succeeded in cutting in half the amount of styrene foam used.

It is somewhat more expensive than the existing styrene foam, but the company has judged that using pulp, which is easy to recycle, for packing material is indispensable for reducing the amount of styrene foam used. In the future, they would like to link it to protection of the global environment by promoting cost reduction and expanding use to large models and other home appliances along with increasing its strength by altering the structure of the packing material.

Reducing the use of styrene foam which is used in large amounts in packing materials for products in the domestic home appliance industry has become a big task along with increasing global environment awareness. For this reason, there have been moves one after the other to reduce the amount used; for example, Mitsubishi Electric has developed technology to recycle styrene foam and has embarked on external sales of equipment and technology, and Hitachi and others have switched completely from styrene foam to cardboard as packing material for some lightweight products.

Osaka Gas Strengthens Enviro-Business

952A0052A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 17 Oct 94 p 13

[FBIS Translated Text] Osaka Gas has embarked on expansion of its carbon materials business. It recently developed environmental equipment that applies fiber-shaped activated carbon such as solvent recovery systems and underground water contamination prevention systems, and along with selling them to factories which have painting processes, the company is strengthening development and sales of soundproofing materials and electromagnetic wave shield materials with carbon fiber as the raw material. The outlook also is for shipment of spherical carbon material used in lithium ion battery materials to become full-scale within the year, and the plan is to increase sales in the business to 10 billion yen, double the present amount, for the group overall in the next two years.

The company's carbon material is a pitch type that is created by using a coal refining process. As opposed to the PAN [polyacrylonitrile] type, which is being used in aircraft parts, etc., the pitch type is expected to have use as a material for industries which often use it mixed with resin or cement.

Donak [as transliterated] and Adoru [as transliterated], two companies connected to Osaka Gas, are selling these carbon fibers by respectively processing them as carbon fiber felt and fiber-shaped activated carbon. They have manufactured and sold fluorocarbon recovery equipment applying fiber-shaped activated carbon through their subsidiary Osaka Gas Engineering (Kenichi Inoue, president), but recently they have developed in succession solvent recovery equipment and underground water contamination prevention equipment. They recover trichloroethane generated from solvents and organic chlorine from underground water used in cleaning by having it adhere to activated carbon. The solvents, etc., recovered can also be reused.

They are selling the environmental equipment abroad also. They already have tieups with engineering companies in South Korea and Sweden, and Osaka Gas is exporting activated carbon cartridges which are the heart of the equipment and consigning manufacture of the equipment. They are processing and selling carbon fiber felt chiefly as adiabatic and electromagnetic wave shield materials. It is superior in light weightness and workability and is expected to replace glass materials in the future.

MITI Policy To Promote Recycling Industry

952A0053A Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Oct 94 p 3

[FBIS Translated Text] As a link in environmental policy, the Ministry of International Trade and Industry [MITI] plans to expand financial and tax incentives for corporations undertaking recycling business using the recycling of waste products. Specifically, the tax deduction for recycling technology research and development costs and the period for application of the low-interest financing system that assists in the purchase of recycling facilities has been extended for two years from the current end of fiscal 1994 to the end of fiscal 1996. MITI is also expanding the technology that will be the applicable subjects and the scope of facilities. MITI is asking the Ministry of Finance for revision of the tax system in fiscal 1995.

The current tax deduction is 6 percent of the research and development costs. By expanding the applicable subjects, four technologies such as concrete form manufacturing technology using recycled paper will be newly added to the existing fluorocarbon reduction technology and plastic recycling technology. For low-interest financing, the Japan Development Bank [JDB] and others will loan a maximum of 40 percent of the facilities purchase capital at an annual rate of about 4 percent. Applicable subjects will be widened also to facilities that separate, clean, and inspect recyclable bottles from garbage. In addition, JDB will establish an investment system targeting recycling businesses which several corporations can implement jointly.

Moreover, they will expand the applicable subjects for the reserve system in which the capital necessary for manufacture and sale of recycling products can be laid aside as an expenditure beforehand. Specifically, they will newly add four businesses such as the case where an electric wire manufacturing company manufactures cable reusing scrap copper.

Mitsubishi Electric Develops High Power Laser

OW2410062094 Tokyo KYODO in English 0552 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Mitsubishi Electric Corp. said Monday [24 October] it has developed a highly efficient ultraviolet laser emitting system with the world's highest output capacity of 2 kilowatts.

The Tokyo-based company said the new device, known as the 2kw excimer (excited dimer), can be used as a tool for the processing of leather and plastic products as well as printed circuit boards.

The company said the system's power output is more than 10 times that of conventional ones available on the market. It said the high emission output is obtained through repeated electric pulse discharge at high frequencies in gas chambers.

Mitsui Matsushima Increases Coal Imports

952A0056A Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Oct 94 p 14

[FBIS Translated Text] Mitsui Matsushima has begun to accelerate coal imports. The amount imported this fiscal year will exceed 1 million tons and the outlook is that it will be just about on level with domestic production, which continues to be at the level of 1.2 million tons annually. Because of the plan to increase imports further next fiscal year and thereafter, the amount of imports will inevitably exceed domestic production for the first time next fiscal year. Domestic production will hold firm in the future also, but costs are high and there is no room to expand production. It seems that the company will strengthen their "shift to imported coal" in order to meet the increase in domestic demand.

The company imported 830,000 tons of coal last fiscal year and imported about 440,000 tons in the first half of this fiscal year (April to September period). The outlook is that it will be about 700,000 tons in the second half. Besides increasing the imports from the Ridel [as transliterated] coal mines in Australia in which they are investing, they will import from the Kuznetsk coal mines of Russia. They also began prospecting on the island of Sumatra in Indonesia this fiscal year. As opposed to this, the amount of coal produced at the company's Ikeshima operations site (Sotome-cho, Nagasaki Prefecture) continues to be within the nation's coal policy framework at 1.2 million tons annually.

The increase in domestic demand for coal is behind Mitsui Matsushima's increase in amount of imports. That is because the demand for coal as raw material for steel manufacturing is in a gradual decreasing trend, but the demand for general coal used in thermoelectric power generation and cement plants is increasing. Moreover, spot orders from chemical companies also are increasing.

Based on the new coal policy (fiscal years 1992 to 2001), the Ministry of International Trade and Industry is currently implementing a protective policy for the domestic coal industry which is weak in price competition compared with abroad, but has decided that they will not adopt a new protective policy in fiscal 2002 or thereafter. Mitsui Matsushima intends to continue domestic production even after fiscal 2002, but insofar as competitiveness will be even weaker when there no longer are subsidies, it seems that the situation surrounding domestic coal will become more and more grim.

General Sekiyu To Export More Refined Products

952A0057A Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Oct 94 p 1

[FBIS Translated Text] General Sekiyu has firmed up plans to build up its crude oil refining capability at Southwest Sekiyu, its refining subsidiary in Okinawa Prefecture, from the current 80,000 barrels a day to 100,000 barrels and expand it on a full-scale as a product supply base for East Asia, including China, Taiwan, and Hong Kong. The export of petroleum products currently has been severely limited, but since prospects are that exports will also become free in principle when imports are completely liberalized in March 1996, the company is strengthening export capability. The Ministry of International Trade and Industry [MITI] is working out the internationalization of Japan's oil industry as a link in deregulation and there will be changes along with that.

Southwest Sekiyu has been a refining base for General Sekiyu on par with the Sakai Refinery, but the company has had to transport long distance by coastal tanker with a comparatively high freight charge to the Tokyo metropolitan area, Kanto, and Chubu regions which are the areas of demand, and domestic competitiveness has weakened. On the other hand, since the distance is close to China and Taiwan and the company can use foreign-registry tankers which are large and comparatively cheap, it will be a good export base.

The company has already been consigned refining operations by China, Taiwan, and South Korea, and over 60 percent of Southwest Sekiyu's crude oil processing is shipped overseas. If exports are liberalized, it will consider export of light oil, gasoline, and C heavy oil for which supply and demand is tight in Asia.

Under the plan, it will expand the toppers (atmospheric distillation equipment) to 100,000 barrels next year. Since the plant was designed to have room for more capability, the costs for the buildup are estimated to be only on the level of some hundred million yen. Since there is a great possibility that environment regulations will become strict in Asia also in the future, the company is considering a large investment on the scale of tens of billions of yen for new cracking equipment to upgrade the gasoline production ratio.

Article Discusses CATV, NTT Connections

952A0071A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 20 Oct 94 p 7

[FBIS Translated Text] We cannot concur with the unilateral assertion of Nippon Telegraph and Telephone Company (NTT) based on its monopoly of urban networks... On the morning of 18 October, Japan Telecom, one of the new long-distance carriers, asked the Ministry of Posts and Telecommunications [MPT] to enforce the order issued to NTT to allow interconnections with its circuits. The industry was thrust into an uproar over the "conflict" between the telecommunications industry Goliath and the new long-distance carrier, but there are those who sat on the sidelines with bated breath to watch the progress of the negotiations. The group included CATV sources who seek to enter the telecommunications industry.

Although the actual connections are not expected to take place until some time in the future, negotiations on interconnections between CATV and NTT networks have already started. Negotiations have been initiated by the Yokohama Television System with support from Fujitsu. Fujitsu plans on starting experiments on telephone systems using CATV networks beginning in December and is said to have "made a request to connect with NTT circuits." Already, officials of Fujitsu have visited NTT to start negotiations on interconnections.

NTT Planning Section Chief Takahiko Yamaguchi states, "Basically, we would like to accommodate the request." Inasmuch as urban monopoly has become the basis for arguments for splitting NTT into smaller companies, they could welcome interconnections, but certainly have no reason to reject the request. There are those who assume that the arrival of intra-urban competition should serve as reason for restraining arguments to split NTT.

NTT President Hitoshi Kojima comments on the CATV industry's entry into the telecommunications business by saying, "When the long-distance carriers arrived on the scene, we extended assistance in a variety of ways. I believe recent movements will lead to a similar situation." His statement reveals the conflicting internal situation in which avoiding criticism about monopolistic abuses requires NTT to take the initiative in developing competing telecommunications operators. However, the question is, can CATV and NTT develop such a complex relationship?

The "Full-Service Net Council" is a CATV industry association established in May by the CATV Conference. The council was established for the purpose of conducting experiments on a wide range of services from broadcasting to telecommunications using CATV networks. Membership in the council includes CATV systems operators, the new telegraph and telephone companies, KDD, and NTT, but the initial CATV Conference secretariat plan did not include NTT.

About the time a decision was made to establish the council, opinions were split within NTT and the CATV industry on whether NTT should be a member, but in the end, it was reportedly decided to include NTT because the council was an organization sponsored by the MPT. In fact, newspapers expressed differing views on the membership of NTT. You might say that the process of designating NTT as a member took into consideration NTT's position symbolized by its statement, "We would like to maintain amicable relationships with the CATV industry for the near term."

However, a look at the current situation surrounding telecommunications interconnections between the new long-distance telegraph and telephone companies and NTT should make it obvious that a number of issues are pending concerning interconnections with CATV firms. There are an endless number of issues which translate into difficult negotiations, such as interconnection fees, allocation of capital costs when NTT modifies its facilities, treatment of free services required from a social viewpoint such as the 110 emergency call number, and telephone numbering systems. The conflict between NTT and Japan Telecom poses issues which are not unrelated to the CATV industry.

Officers of the Yokohama Television Station say, "We are in a position where we must ask NTT for certain services. We really have no choice." However, the question is, can the CATV industry expect negotiations with NTT to be conducted in a commercially viable manner, considering its current status? The more CATV system operators feel, "Negotiations with NTT are a matter to be pursued in the future," their perception of such questions is overly optimistic.

On the morning of 18 October when Japan Telecom issued its request for enforcement of orders concerning interconnections, a "Multimedia Advisory Council meeting" was held at Liberal Democratic Party [LDP] headquarters in Nagata-cho. The council is a parliamentary alliance composed of LDP Diet members such as Keizo Obuchi. Those in attendance at the meeting on the 18th included NTT Vice President Junichiro Miyazawa and Tokyu Cable Television Vice President Fumiyasu Ban. NTT and CATV representatives were called to the meeting as role players in the construction of information highways.

However, one industry official represented a giant enterprise earning 6 trillion yen a year, while the other side represented the CATV industry with annual sales of 70 billion yen for a total of 140 companies. The stark difference in revenues between the two industry representatives is very similar to the situation in 1985 when deregulation of the telecommunications industry was initiated with the debut of new long-distance operators.

Ten years have passed since that time. The question is, will the CATV industry make wise use of the history of deregulation recorded during the past 10 years?

Current Status of CATV Industry Viewed

952A0070A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 18 Oct 94 p 7

[FBIS Translated Text] Some 4.2 billion yen—This is the amount approved by Odakyu Electric Railway Company this summer as an additional investment in its cable television (CATV) subsidiary. The viewpoint of industry was, "The major rail firm made a move because it foresaw better prospects for the CATV industry based on the lifting of operating area restrictions arising from deregulating actions taken by the Ministry of Posts and Telecommunications [MPT]." However, in reality the situation is somewhat more complex.

The Odakyu Group has operated CATV systems in Yokohama and Kawasaki cities, but in its next move it will expand its service area into the Setagaya ward of Tokyo. New Media Development Division chief Takakazu Hayata explains the purpose by saying, "We wish to follow the multimedia trend... At the same time, we would like to offer the additional service to residents adjacent to our rail system."

However, other sources in the firm unrelated to the CATV business reveal, "There was the risk that we might lose our CATV operating rights adjacent to the railways if we were to postpone additional capital investments any longer, in view of the stepped up moves by the major trading firms in the Tokyo area. You might say the additional capital investments were made under outside pressure." The additional capital investment is targeted for the area adjacent to the Odakyu Railway in Tokyo, which is lined with high-class residential districts and is being looked at by the trading firms as potentially lucrative CATV markets.

"Diapause." This is the term used in the CATV industry to describe the situation in which several firms have expressed a desire to install CATV systems, but have not done so. Such situations are not limited to Setagaya along the Odakyu Railway. For example, in the 23 wards of Tokyo, diapause continues in 10 wards, including Chiyoda ward.

According to the MPT, there are six different versions of diapause, such as "an operating firm has been established on paper, but the plan has otherwise been shelved," and "several firms have submitted applications to establish operating companies, but no further action has been taken." Even if an operating company were to be newly formed in such locales, there are many instances when existing plans will interfere with those of the new firm.

According to Cablecast Division Chief Tameyasu Tsukada, MPT has begun "to screen applications for diapause areas." It will conduct hearings of applicants to determine their intentions for commercialization. That should lead to more aggressive moves towards commercialization throughout the country.

Moreover, there is the potential that the rebirth of the CATV industry will take place from an entirely different perspective. An official of a CATV station in Tokyo recently heard a rumor that, "A major CATV company in Kyushu is facing very difficult times." The same official testifies, "Companies making aggressive moves towards the CATV industry such as trading firms are thinking of negotiating down the buying prices of CATV firms that are facing financial difficulties."

Already, in the Chofu district of Tokyo, Itochu has taken over the management of a CATV system. In the case of the Chofu district, it is easy to visualize the situation in which management was taken over from Nikkatsu, which is operating under the company rehabilitation law, and that stock in the subsidiary was purchased cheaply.

However, the somewhat overheated interest in CATV has cooled somewhat at this stage. A typical case is Nynex. Nynex's experimental CATV project was supposed to have integrated a range of services from broadcasting to telecommunications, but the experiment has been suspended. Nynex has closed its Japan branch.

On the other hand, Time Warner had joined with Itohu in announcing an ambitious project to provide CATV services in Japan, but no move has been taken to make any capital investments. The observation was made that "Time Warner is probably going to make a capital contribution when Itochu takes the initiative in installing a CATV system in Chofu..." but the observation has not gone beyond speculation.

The ambivalence associated with CATV centers on the paucity of sources that embrace the conviction that "it will serve as the core of the information highway." In the report issued by the MPT advisory agency, Telecommunications Council, in May, CATV was positioned as a principal role player in the construction of the next-generation telecommunications system along with NTT. The viewpoint assumed that CATV would spread in Japan as it did in the United States and become a force that could compete with the telephone companies.

However, in reality, Japan has many land-based television stations and satellite broadcasting also established an earlier start. The circumstances are different from those in the United States.

The regulatory situation in Japan differs from that of Great Britain where CATV systems have succeeded in breaking into the telephone industry. As an example, U.S. capital has been invested in Great Britain on a large scale because there are no restrictions imposed on foreign capital.

On the other hand, operating companies in Japan face strict restrictions on exclusive use imposed by the Ministry of Construction [MOC] and local governments on the installation of cables along roads. Exclusive use of roads is approved for 10 years in the case of public utilities such as electric power companies, but only three years for CATV companies. Road exclusive-use fees are set at 620 yen per circuit for NTT, but at 1,080 yen per circuit for CATV firms. The MOC is conducting a study to relax the restrictions, but there is no sign as to what the outcome of the study will be.

Presently management concerning CATV systems cannot be regarded as having completely extricated itself from the rosy outlook that "Television is a concessionary enterprise that ensures profits." One CATV system company president in Tokyo complains, "Instead of feeling elated over all the fuss made over CATV, I feel bewildered." The variance between industry's enthusiastic interest in CATV centered on the trading companies and the bewilderment of CATV industry sources seems to symbolize the current situation in the CATV industry.

Article Views CATV as Multimedia Pipeline

952A0069A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 17 Oct 94 p 6

[FBIS Translated Text] CATV [cable television], which was introduced as the standard-bearer for new media but failed to take off, has been reintroduced as the main role player in the second stage of deregulating the telecommunications industry. CATV, which was part of the broadcasting industry, has initiated a move to engage in the telecommunications business on a full-scale basis in response to deregulation. Increased attention is being focused on CATV as a primary carrier of the information highway along with Nippon Telegraph and Telephone (NTT), but many question its real potential. The question is, can CATV become a pipeline for the multimedia age? This article will discuss the current status and issues concerning CATV from the standpoint of "telecommunications."

A modest ceremony was held at 1000, 29 September at the Tokyu Cable Television headquarters in Midori-ku, Yokohama city. The ceremony was held to mark the inauguration of experiments on the personal handyphone system/cellular (PHS/C)—low-cost portable telephones called personal handyphone systems (PHS) using CATV networks—to be introduced next year. It will be the first experiment involving existing broadcasting and telecommunications industry representation.

Principal players in the next-generation network research council experiment are Mitsubishi Corporation, Mitsui & Company, Tokyo Electric Power Company, and Tokyu Corporation. The research council will interconnect the telecommunications network of Tokyo Tsushin Network (TTNet) and the CATV network of Tokyo CATV and conduct PHS experiments until March 1995.

The question is, what will be the configuration of the specific communications routes? During the ceremony on 29 September, a call was placed from a PHS instrument located in Jiyugaoka which was intercepted by a land station installed on a telephone pole. The call was then transmitted via a CATV network to the TTNet telephone network. Beyond that point the call entered the NTT public telephone network, enabling connections with telephones throughout the country.

Tokyo Electric Power Company Telecommunications Department division chief and next-generation network research council experimental project section chief Akio Miyazaki states, "We would like to reduce reliance on the NTT network to a minimum." TTNet is pushing a plan to collaborate with Japan Telecom in a PHS project. At that point, an issue to be confronted is the telecommunications circuits to be used in connecting land stations, which intercept radio waves emitted to and from a PHS, and the TTNet.

Wireless transmissions applicable to PHS will require placement of land stations at 100- to 150-meter intervals. However, TTNet's telecommunications network is centered in the commercial districts of Tokyo and is unable to provide telecommunications network coverage to connect with land stations in residential areas where PHS demand is expected to be the most extensive. TTNet could solve this problem by using NTT circuits which virtually monopolize intraurban telephone networks, but it would like to avoid dependence on a competitor's system.

This is where CATV enters the picture. Some CATV network circuits installed in residential areas will be converted to telecommunications use and interconnected with the TTNet network which covers basic business areas, providing for a network that takes advantage of the special features of both systems. CATV stations are not faced with an unprofitable situation in that they will be able to collect fees from PHS firms for use of their circuits. The use of TTNet and CATV as a substitute for NTT urban telephone networks will have a major impact in altering the telecommunications industry.

Serious participation in the telecommunications industry by the CATV industry began in the fall of 1993. The move was initiated by the U.S. regional telephone company Nynex. Nynex joined Tomen Corporation to plan combined broadcasting and telecommunication experiments and submitted a plan for commercialization to the Ministry of Posts and Telecommunications [MPT] using a CATV station in Yokohama as a base. When this move surfaced, the MPT began to aggressively promote full-scale entry of CATV into the telecommunications market, touching off commercialization experiments throughout the country. It was about that time that industry, with trading firms in the lead, began to focus their attention on CATV.

Full-Service Net Council. This is an organization that was established in May 1994 in the Cable Television Conference. Full-Serve means the provision of a wide assortment of services from broadcasting to telecommunications. The council is currently engaged in planning or conducting about 30 experiments. The council is conducting commercialization efforts through the use of personal computer networks, home shopping, telephones, and CATV networks.

Needless to say, it is unclear as to how many such experiments will lead to actual commercialization. Comments concerning next-generation research on PHS/C include, "In addition to the fact that CATV systems with interactive capability are limited, it is unknown whether PHS/C can be applied in telecommunications systems in terms of quality."

There are 140 urban CATV companies operating in Japan whose facilities can be converted to telecommunications systems. Their gross income is currently running at 69.5 billion yen with expenses running at 90.4 billion yen, producing a deficit of about 20.9 billion yen. However, if CATV industry circuits can be converted to telecommunications uses, we could see the development of a variety of new businesses. All CATV station operators are hopeful and confident about such potential but are unable to conceal their concern about the ultimate outcome. Such circumstances have caused a more realistic approach toward telecommunications use of CATV systems.

North Korea

Paper Condemns ROK's Nuclear Development

SK2510105494 Pyongyang KCNA in English 1034 GMT 25 Oct 94

["Nuclear Fanatics Cannot Escape National Criticism"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The South Korean rulers, preoccupied with ambition for nuclear weapons, leave no stone unturned in their bid to secure large quantities of fissionable materials, regarding their production as the key to the development of nuclear weapons, says NODONG SINMUN today.

The paper notes in a by-lined article:

The South Korean rulers have imported and stored fissionable materials in secrecy while frantically securing them under the cloak of "electric power production."

The heavy water reactor in Wolsong and the multipurpose research reactor of the Taedok Complex in South Korea are military reactors built exclusively for the development of nuclear weapons. They are producing plutonium and highly enriched uranium. Spent fuel containing plutonium enough to make some 370 nuclear bombs has been derived from the heavy water reactor in Wolsong.

The South Korean puppets' scheme to reprocess the spent fuel can never be overlooked.

The spent fuel is used for the development of nuclear weapons after being converted into plutonium in camera at the semi- reprocessing facility known as the post-irradiation test facility in the Taedok Research Complex in South Korea.

The South Korean rulers scheme to lawfully possess uranium enriching and reprocessing facilities for the manufacture of nuclear weapons and breed a larger quantity of weapon-grade plutonium through the development of a fast breeder reactor.

It is the height of sarcasm that the Kim Yong-sam group, while promoting its own nuclear arms development, has persistently made a fuss over the peaceful nuclear activities of the North. This was motivated by a sinister intention to hinder the progress of the DPRK-USA talks at any cost and, at the same time, divert elsewhere public attention at home and abroad and hasten its own nuclear arms development.

The entire nation must pool strength and remove the nuclear fanatics who run wild to plunge the fellow countrymen into a nuclear scourge.

ROK Said Moving Military Vehicles to DMZ

SK2510044094 Pyongyang KCNA in English 0431 GMT 25 Oct 94

["Continued Military Provocations in DMZ"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The South Korean puppets introduced three military vehicles carrying some 60 heavily-armed bandits into the Demilitarized Zone [DMZ] South of Mabang-ri, Chorwon County on October 22 and the bandits, together with the bandits at the post, brandished heavy and automatic weapons, inciting a war atmosphere, according to military sources.

The number of armed bandits illegally brought in the Demilitarized Zone in the western, central and eastern sectors of the front by the South Korean puppets totalled some 1,200 and that of vehicles 350 on October 21 and 22, and about 13,000 bandits and 1,300 vehicles from October 1 to 22.

This is the premeditated provocation of the Kim Yong-sam fascist clique to find a way out of the political crisis, isolated within and without, in military tension and North-South confrontation.

Establishment of New Peace Arrangement Viewed

SK2510115894 Pyongyang NODONG SINMUN in Korean 18 Sep 94 p 5

[Article by Choe Song-kuk: "A New Peace Arrangement Should Be Established Immediately"]

[FBIS Translated Text] The issue of establishing a new peace arrangement on the Korean peninsula has been raised. However, some forces have shown unreasonable behavior over it. The Kim Yong-sam clique has demanded that the issue of signing a peace agreement be resolved through direct talks between the DPRK and the South Korean authorities, while talking as if they are a concerned party to the issue of signing a peace agreement. They have insisted on the continual preservation of the current armistice system. Also, the United States has shown an attitude to be excluded from the issue of signing a peace agreement, saying the South Korean puppets are the concerned party to the agreement. Such an act is a wrong behavior that will create obstacles and difficulties in establishing a durable peace arrangement on the Korean peninsula, will hush up the issue by indefinitely dragging out time, will continue the maintenance of the current armistice system, and will abuse it as a disguise to achieve their insidious goal.

The great leader Comrade Kim Il-song has taught: If the United States really wants to embark upon the road to support our country's reunification and to secure peace on the Korean peninsula, there is no reason for them to refuse our proposal for replacing the Armistice Agreement with a peace agreement. Also, there are no problems that cannot be solved by improving relations between the two countries, the DPRK and the United States.

As is known, in its Foreign Ministry's April statement, the Government of our Republic put forward a new proposal for peace negotiations regarding the establishment of the durable peace arrangement on the Korean peninsula. This is a very reasonable step according to the spirit of dissolving hostile relations between the DPRK and the United States, of promoting their reconciliation, and of easing tensions and securing the true peace and security on the Korean peninsula.

The replacement of the current armistice system with a new peace arrangement and the maintenance of the durable peace and security on the Korean peninsula are imminent issues that can no longer be delayed.

Above all, this is related to the situation on the Korean peninsula. Today, the United States and South Korea have continued expanding armaments, as well as reinforcing armed forces on the Korean peninsula. Ultramodern armed equipment is being mobilized and deployed into South Korea, running counter to Article 13 of the Korean Armistice Agreement.

The South Korean puppets have continued to increase their military expenditures and to further reinforce their Armed Forces' combatant capability, talking about "modernization" and "preparations."

Such an armament increase and weapons buildup are an extension of a Cold War policy, as well as plans for the maneuvers to provoke another Korean war. Also, South Korea continues committing reckless military provocations aimed at a northward invasion, while posing threat and blackmail against us.

These adventurous military movements are leading the instable armistice state on the Korean peninsula to a more dangerous stage. If this is neglected, new obstacles will be created for the DPRK- U.S. talks, which are aimed at resolving the nuclear issue and at normalizing relations between the DPRK and the United States.

It is a pressing demand to take immediate, practical steps to ease tensions, as well as to maintain durable peace and security on the Korean peninsula. Therefore, the basis is to establish the new peace arrangement. Only when we resolve this issue can we ease military confrontation and tensions on the Korean peninsula, as well as prepare practical conditions and guarantees for achieving the true peace and security on the peninsula.

Also, the issue of establishing the new peace arrangement has been raised as a pressing demand in connection with the actual situation of the armistice system. The armistice, neither war nor peace, has continued on the Korean peninsula for over 40 years. In fact, the current armistice state on the Korean peninsula is a product of the Korean war, as well as a relic of the Cold War. The armistice state created in the 1950's has been persevered up to date, even when the Cold War has ended. This is unreasonable, as well as abnormal in many ways.

The current armistice is a nominal one that cannot perform its function. As a result, the United States and South Korea have been more gravely violating the Armistice Agreement; the armistice on the Korean peninsula is not supported by any legal or systematic mechanism; and, therefore, the armistice may turn into a war anytime.

The current armistice system was born with the mission of maintaining the armistice on the Korean peninsula, stabilizing the situation, and ensuring peace. However, the armistice system had not been able to carry out its function because of the unjust acts of a signatory to the Korean Armistice Agreement, and it has now been deprived of its role completely.

First, the basic provisions of the Armistice Agreement have been destroyed or obliterated [pagi malsal] and, as a result, ended up a scrap paper that cannot deter dangerous measures for military buildup and adventurous acts of war or ensure peace. There is virtually no legal mechanism for preventing war and ensuring peace.

The current armistice mechanism, as well, is a mere marionette. The Neutral Nations Supervisory Commission, which was organized under Paragraph 3 of Article II of the Armistice Agreement to prevent the introduction into Korea of reinforcing military personnel, has not been able to play its role.

The Military Armistice Commission [MAC], whose duty is to implement the Armistice Agreement, has turned into a nominal [houl ppunin] organization in which no one is in charge and is paralyzed. The U.S. side's senior delegate to the MAC was replaced by a "general" of the South Korean Army, which is not a signatory to the Armistice Agreement and which has no qualification or legal justification, in March 1991. This totally contradicts the Armistice Agreement. In response to this wrongful act, we withdrew our delegation from the MAC. China, too, has recently decided to withdraw its delegation from the MAC, acknowledging that the current armistice mechanism is not effective. This shows the armistice mechanism virtually has gone out of existence. One cannot expect the stability of the situation on the Korean peninsula or peace there without doing anything about the armistice system, which cannot fulfill any responsibility or role in preventing reckless military buildup and adventurous acts of war.

As shown, it is clear the nominal armistice system is no longer needed. In order to improve DPRK-U.S. relations, prevent a military buildup and the recurrence of war on the Korean peninsula, and ensure stable peace and security, the Armistice Agreement must be quickly replaced by a peace agreement, and a new peace arrangement must be established in place of the current armistice system.

This issue has already been discussed at the third round of DPRK- U.S. talks. For us and the United States to discuss and resolve the issues concerning establishing a state peace arrangement on the Korean peninsula, including the issue of signing a peace agreement, is appropriate in every respect. It is not necessary for any third party to have a hand in this matter. Nevertheless, the South Korean puppets presumptuously are committing uncourteous acts to do something about this process. It is unreasonable that they request direct negotiations with us to resolve the issue of signing a peace agreement. It is not necessary at all to hold negotiations with the Kim Yong-sam ring, which is not a signatory to the Armistice Agreement and has no prerogative of supreme command of its Armed Forces, to discuss the issues concerning establishing a new peace arrangement on the Korean peninsula, including the issue of signing a peace agreement. It has no legal ground to do so, either. Sitting with them would be a waste of time, and nothing will be solved.

This issue can be resolved only in negotiations between real signatories to the Armistice Agreement—we and the United States—which has the prerogative of supreme command of the South Korean Armed Forces. It is also natural in view of the issue of bringing an end to the ugly [pulmi suroun] DPRK-U.S. relations, normalizing DPRK-U.S. relations, and bringing an end to the nuclear threat against us. Under circumstances in which the North and South have agreed on nonaggression, if a new peace arrangement is established between the DPRK and the United States, a stable peace arrangement will no doubt be provided on the Korean peninsula. Then, a decisively favorable phase can open in turning the unstable situation on the Korean peninsula into a stable peace, achieving reconciliation between the DPRK and the United States, and normalizing their relations.

A new peace arrangement must be established at the earliest possible date.

South's Daily Criticizes National Security Law

SK2410215094 Pyongyang KCNA in English 1512 GMT 24 Oct 94

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—The South Korean MAEIL SINMUN noted that the successive South Korean rulers have used "spy cases" as a means of extending their rule.

The "National Security Law" (NSL), it said, has created a structural mechanism for mass producing "spies", while putting the label of sedition on the criticism of the system and contact with dissidents.

Recalling that notably Koreans in Japan have been the main objects of "spy label", the paper said the authorities throw them into cold prison cells on "spy charges" and "persistently try to" force them into "ideological conversion."

If the present "regime" truly want South-North reconciliation and reunification, it must return the people taken into custody on false spy charges to their families, the paper urges.

DLP Leader's Remark on Maintaining NSL Noted

SK2310002594 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 21 Oct 94

[Commentary by Kim Kyong-pok: "A Devil's Grumble"]

[FBIS Translated Text] According to reports, on 19 October, traitor Kim Chong-pil, leader of South Korea's

Democratic Liberal Party [DLP], cried that the National Security Law [NSL], an antireunification and fascist evil law, cannot be abolished, raising an outcry over us. The rascal also made the absurd remark that the NSL is not an antidemocratic, (?controlling) device to repress human rights. This plainly shows again the South Korean puppets' antinational, antidemocratic, and antireunification nature, and it is a vicious challenge to the aspiration of all the people who desire reunification in the nineties.

The NSL is a peerless fascist evil law that prescribes the North as an anti-state organization, as well as a medieval evil law of infringing upon human rights. It is a product of the South Korean- style (?mechanism) and an uncommon, fascist evil law to repress and destroy all things advanced and patriotic—including not only advanced ideas and ideologies, but independent dignity and demands of human beings and social justness and truth—regarding them as crimes.

The existence of this evil law in the time of modern civilization is a great national shame and a disgrace to mankind. Therefore, not only the South Korean people but, the whole world oppose the NSL, and even the U.S. Department of State issued a special statement demanding its revision or abolition.

Nevertheless, traitor Kim Chong-pil is trying frantically to maintain the notorious NSL. Kim Chong-pil is fascist [word indistinct], who established the Korean Central Intelligence Agency [KCIA], the main building of Pak Chong-hui's Yusin [renovation] regime and the predecessor of the notorious Agency for National Security Planning, which is the hotbed of information ingenuity [chongbo moryagui chong ponsan] and [word indistinct] of infringing upon human rights in South Korea, and who was the first director of the KCIA.

Because he is a murderous devil, the rascal is adhering to the NSL, a murderous evil law, that much persistently. Just like a crow can only caw, a devil's mouth only smells like blood.

The South Korean puppets' arousing a cutting wind [kalbaram] with the unprecedented new security-oriented rule by brandishing the NSL shows plainly how they are abusing the law. Far from expressing condolences over the nation's deplorable event, the rascals acted rashly and thoughtlessly, taking with rifles at the fellow countrymen in the North who were in deep grief, and oppressing brutally the South Korean people who expressed their condolences. Moreover, they disseminated tear gas to depress the patriotic masses who were crying for reunification, mobilizing even helicopters, and committed fascist violence of cruelly arresting leading members of the South side's headquarters of the National Alliance for the Country's Reunification.

Meanwhile, they put many youths and students behind bars, stirring up a commotion of eradicating the so-called Chusapa [those who follow the chuche idea], and are indiscreetly running wild to oppress and destroy even the Korea Federation of University Student Councils, a self-governing organization of South Korean students, branding it as a so-called organization benefiting the enemy.

The rascals did not hesitate in conducting the antipeople and criminal act of blocking the visit to the North by South Korean figures who wanted to participate in the dedication ceremony of the Tangun tomb, by invoking the NSL.

This is the reality of South Korea where the NSL is rampant. The poisonous effect of the NSL, which the puppets are using as an omnipotent means of oppression, seriously influenced the change of South Korea into the most wretched desert without human rights in the world and as a medieval arena ridden by violence.

Traitor Kim Chong-pil's insistence on maintaining the vicious NSL links with the puppets' antinational and antidemocratic fascist nature. In fact, the South Korean rulers, who are faced with the strong opposition and resistance from the South Korean people, cannot maintain their dictatorial system even for a day without relying on such a fascist oppressive means as the NSL, a unique evil law.

It is very clear that independence, democracy, and reunification cannot be achieved in South Korea, leaving the anachronistic NSL as it is. Thus, it is very natural that the South Korean people are bravely launching into the struggle against the South Korean rulers who are indiscriminately brandishing the NSL. The South Korean rulers must abolish the NSL immediately, looking straight at the trend of the time.

North Involvement With 'Spy Activities' Denied

SK2310090194 Pyongyang KCNA in English 0839 GMT 23 Oct 94

["Third-Rate Drama"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA)—The puppet Agency for National Security Planning (ANSP) of South Korea some time ago announced that "a married couple of students" who had conducted "spy activities" after being absorbed by "an operative of the North" while studying in Germany "surrendered themselves to justice." It added that after being absorbed by "an operative of the North," they went to the North four times to receive "spy education" and carried out the "instructions of the North" to absorb South Korean students in Germany and send them to the North.

Branding the "case of the surrender of a couple of students" as a third-rate drama written and directed by the puppets for their own purpose, a NODONG SINMUN analyst says today:

There is no belonging to the North. It is self-evident that anyone who does not belong to the North cannot be its "operative".

While identifying the "spy of the North in Germany" the puppets failed to enumerate the names of South Koreans "absorbed" by him for 20 odd years. They even confessed that although they interrogated four of those "absorbed" by Kim Yong-mu, they could not find any evidence to suspect them.

In the announcement, the puppets alleged that the couple of students "joined the party" and "got married" in the North, received "spy education" in the North four times and worked out a "list of the curriculum vitae of 17 persons" and reported it to the North. But, it is a clumsy trick to give credibility to their drama.

It is the "ANSP" that manufactured out of thin air the "operative of the North", that manufactured "a couple of spy students" and that directed the "drama of surrender."

Each time a political crisis got worse in South Korea, the puppet ANSP fabricated a countless number of false cases such as "spy-ring case" against the North.

The "case of the surrender of a couple of students" is a link of their long chain.

The traitor Kim Yong-sam and the "ANSP" gangsters must not act rashly but give up the anti-North, anti-reunification drama.

ROK Opposition Urges Resignation of Cabinet

SK2410052494 Pyongyang KCNA in English 0511 GMT 24 Oct 94

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—Yi Ki-taek, chairman of the South Korean opposition Democratic Party, in a roundtable conversation with journalists on October 22 urged Kim Yong-sam to make an apology to the people, bearing responsibility for the breakdown of Songsu grand bridge in Seoul and the present "cabinet" to immediately hand in a general resignation concerning the incident, according to a radio report from Seoul.

On October 21, the Democratic Party held a joint meeting and a general meeting of its "assemblymen" and adopted a resolution demanding a general resignation of the "cabinet", branding the incident as a product of the idle "operation of state administration" of the "cabinet".

ROK Must 'Strongly Demand' Kim Yong-sam Resign

SK2510045394 Pyongyang KCNA in English 0443 GMT 25 Oct 94

["Chieftain Causing Disaster Must Be Punished"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The South Korean people strongly demand the Kim Yong-sam group step down from power, bearing responsibility for the breakdown of the Songsu Grand Bridge in Seoul which entailed a big human loss on October 21.

This is a just demand and an expression of the decisive will of the South Korean people to punish and remove the chieftain of the case. Kim Yong-sam, however, is trying to gloss over the case by dismissing the mayor of Seoul, as if he had nothing to do with the case.

The breakdown of the Songsu Grand Bridge is attributable to the anti-popular policy of the South Korean ruling quarters who did not take a proper step for repair since its building; it is not confined to any henchman.

It is well known that the traitor Kim Yong-sam, seeking only his own comfort and security of power, did not pay attention to the living conditions of South Korean people since his assumption of power, thus making South Korea a show window of all kinds of incidents. The breakdown of the Songsu Grand Bridge is a hair-raising incident which occurred because the Kim Yong-sam group did not take a step for preventing the case while knowing its danger.

If the South Korean people are to live in peace, free from damages, they must remove the Kim Yong-sam group, that makes troubles to the nation.

Kim Yong-sam Denounced for Bridge Collapse

SK2510025094 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 24 Oct 94

[Commentary by Yun Pyong-son: "Whose Fault Is It?"

[FBIS Translated Text] According to a report, the major accident, the so-called Songsu Bridge collapse, took place in Seoul on 21 October. A 50-meter section of the Songsu Bridge fell into water 7 meters deep, with a great many people being killed or injured in the accident. As of 21 October, 24 people were dead. It is really a very terrible accident. An accident like this cannot be found anywhere in the world. South Koreans cannot repress their indignation and shock over the accident. They are also overwhelmed by anxiety and apprehension. This is not a coincidence.

A great number of such accidents are occurring in South Korea. Some sections of the Mapo and Songsan Bridges collapsed last year, causing social unrest. Why do such major accidents successively take place in South Korea? The questions "Where does they come from?" or "Whose responsibility is it?" are being raised. This is the tragic consequence arising totally from the Kim Yong-sam clique's anti-people brutal acts.

Even if the Kim Yong-sam clique loudly babbled about the stabilization of the people's welfare when he took power, he actually paid no attention to the people's welfare. It would be possible to prevent accidents in advance if he paid attention to them.

Seoul citizens and drivers who used Songsu Bridge predicted a long time ago that the bridge was dangerous. Nevertheless, the South Korean authorities did not listen to their words, and failed to take measures for its safety. They attributed it to the budget deficit.

The South Korean puppets have persistently squeezed a great amount of taxes from their people, spending most of it reinforcing violent forces [pogap yonghyang] in order to prepare for war and maintain their power, while increasing military costs and the number of heavy armed vehicles, as well as purchasing equipment to suppress the people. However, they failed to appropriate funds for the people's welfare.

If the Kim Yong-sam clique is even a little interested in the people's welfare, how is it possible to ignore the maintenance of bridges, which are very dangerous to use, or to overlook formulating plans to prevent accidents after having experienced similar large- scale accidents in the past?

As long as vulgar people like Kim Yong-sam—who has an anti- people and anti-national nature, and who pursues his own success and power without paying attention to the destiny of the country and the nation—take power, it is natural that large-scale accidents like the Songsu Bridge collapse will occur in South Korea. What is the lesson from it?

If loathsome groups like the Kim Yong-sam clique remain as they are, large-scale accidents like Songsu Bridge, as well as all of South Korean society, may collapse. As a result, the people will suffer a great disaster and tragedy they can never overcome. The South Korean people should remember this as an important lesson learned from the Songsu Bridge collapse, and should wield a decisive iron hammer against the Kim Yong-sam civil government.

Kim Yong-sam Clique's 'Madness' Criticized

SK2110133494 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 19 Oct 94

[Commentary by Chong Pong-kil: "The Fascist Billy Club Cannot Solve Everything"]

[FBIS Translated Text] Recently, the Kim Yong-sam clique's fascist gale has raged even more in South Korea.

On 17 October, the puppet North Cholla Provincial Police Office and the Defense Security Command branch office in North Cholla Province arrested seven figures, including Yim Yon-chu, senior student of Wongwang University in Iri, placing them in prison on charges of violating the notorious National Security Law, saying they had conducted consciousness-raising activities [uisikhwaltong] by forming a so-called organization benefiting the enemy. This is an expression of his madness. It is very natural for youth and students, who are sensitive to justice and truth, to form an academic body to study progressive ideology. Therefore, it is evident their acts cannot be a crime.

Nevertheless, the Kim Yong-sam clique has arrested youth and students under the foolish pretext they conducted so-called consciousness-raising activities and formed an organization benefiting the enemy. This clearly shows the civil fascist mongers' violent madness has reached a final stage. The violent and brutal act, which cannot be imaginable in a normal way of thinking, is being committed in South Korea every day.

As is well-known, the Kim Yong-sam clique has recently gunned at its fellow countrymen in the North, who are overwhelmed by sadness, and brutally suppressed South Korean youth, students, and people from all walks of life because of their expression of condolences, instead of observing their decorum toward the great sadness of our nation. Also, it never hesitated to commit the savage act of indiscriminately arresting innocent youth and students by kicking up a commotion to root out followers of the chuche idea, dropping tear gas from helicopters into the meeting place where patriotic figures for reunification gathered together to shout for peaceful reunification.

Needless to say, the Kim Yong-sam clique's arrest of seven figures, including student Yim Yon-chu, is an extension of its fascist madness based on a new security-oriented rule. This is unprecedented. Why did the Kim Yong-sam clique, who established a placard of a civil government, do it? In short, this is a result of its serious awareness of the crisis [wigiuisik]; it is now on the brink of ruin.

Indeed, even if the Kim Yong-sam clique loudly talked about the so-called reform and creation of new Korea under the pretext of the placard of a civil government, changes have not taken place in South Korea even today after almost two years have passed since it took office. Also, South Korean society has seen more unrest and disorder.

If change has occurred in South Korea, it is the nation-selling act of cutting 6 million farmers' necks by opening South Korean rice markets, thus leading South Korea to the worst abyss of subjugation. It is the act of returning North-South relations to the original point of confrontation by babbling about the so-called international cooperation system or sanctions, and of driving the fascist gale throughout South Korea with a new security-oriented rule.

Needless to say, this is a natural consequence aroused from the Kim Yong-sam clique's treacherous nature and anti-people character. Therefore, today the South Korean people are more vigorously than ever before rising up to struggle against the Kim Yong-sam clique, which brings about a national destructive [word indistinct].

The Kim Yong-sam clique, which is filled with feelings of extreme anxiety, is more desperately sticking to the fascist billy club to escape from the tremendous crisis, which has become serious with each passing day. However, it is too late. The Kim Yong-sam clique's critical point [hangyejom] has already been disclosed as much as it can.

It is clear if the Kim Yong-sam clique is not removed from power, society will fall into the worst abyss of disorder, stagnation, crime, and immorality. Also, North-South relations will lead to the road of sharper confrontation and disaster, not the road of the national reconciliation, unity, and reunification. The cause of troubles should be rooted out in time.

The South Korean youth, students, and broad people from all walks of life will more firmly unite as one to surely eliminate the Kim Yong-sam clique. The Kim Yong-sam clique will never maintain the fallible civil rule with its desperate violent madness, nor can he avoid the destiny of [word indistinct].

South Student Delegate Visits North's Pomminnyon

SK2410053194 Pyongyang KCNA in English 0503 GMT 24 Oct 94

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—Choe Chong-nam, delegate of the South Korean Federation of General Student Councils (Hanchongnyon), Sunday called at the North side's headquarters of the National Alliance for the Country's Reunification (Pomminnyon).

Chairman of the North side's headquarters of Pomminnyon Paek In- chun conversed with the delegate in an atmosphere overflowing with the feelings of kinship concerning the mounting desire of the North and the South for reunification and future activities for national reunification.

Delegate Choe Chong-nam visited the three-revolution exhibition on October 20 and the Pyongyang Moranbong Senior Middle School No. 1 on October 21.

Group for 'Rescuing' ROK Patriotic Youth Noted

SK2510110294 Pyongyang KCNA in English 1038 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—An inaugural meeting of the society of the Japanese people for rescuing Chairman Pak Yong-ho of the Chongju District Federation of Democratic Youth of South Korea was held in Tokyo on October 18.

The South Korean fascist clique arrested Pak Yong-ho on the charge of violation of the "National Security Law" for he conducted propaganda activities at the fifth pan-national rally for the reunification of the country after taking part in the world conference for banning A-H bombs which was held in Japan this year.

Speaking at the meeting, Shigeru Yoshimatsu, representative of the "National Council of the Society for Rescuing Japan-Born South Korean Political Prisoners", expressed concern over the harsher suppression of human rights than under the successive military dictatorial "regimes" in South Korea. He called for conducting a powerful rescuing movement across Japan till the release of all the political prisoners in South Korea.

A letter of request demanding an immediate release of Pak Yong-ho was adopted at the meeting.

It demanded that the South Korean authorities stop at once the arrest and suppression of pro-reunification patriotic figures and immediately release all the imprisoned political prisoners. (endall) 251038 bj/scally/KCNA2520/bj 25/1102

Chongnyon Students Visit Kim Il-song Statue

SK2510044294 Pyongyang KCNA in English 0436 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The members of the home-visiting group of students of Korean University of the General Association of Korean Residents in Japan (Chongnyon), staying in the socialist homeland, called again at the statue of the respected leader President Kim Il-song on Mansu Hill in Pyongyang on October 24, laid a wreath before it and observed a moment's silence.

Noting that they could change sorrow into strength and courage because they have Marshal Kim Chong-il as the supreme leader, though they felt as if the sky had fallen and the ground broken up, they stressed that the respected supreme commander General Kim Chong-il is the great defender of their destiny and lodestar.

"We will resolutely carry forward the tradition of Chongnyon, always with the belief that the victory of our revolution, the true future of ours and the way of accelerating the national reunification earnestly desired by the fatherly leader in his lifetime lie in upholding the leadership of the respected general with loyalty," they said.

Chongnyon Standing Committee Chairman Departs

SK2210113594 Pyongyang KCNA in English 1059 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—Han Tok-su, chairman of the central standing committee of the General Association of Korean Residents in Japan (Chongnyon), and his party left Pyongyang today after visiting the socialist homeland.

They were seen off at the airport by Pak Song-chol, Kim Yong-sun and officials concerned.

Before their departure, the chairman and his party visited the statue of the great leader Kim Il-song on

Mansu Hill, laid bouquets of flowers before it and observed a moment's silence.

Looking up to the statue of President Kim Il-song, the chairman said he was an invalid when he met the fatherly leader for the last time, but he is going back to his post after recovering his health under the benevolent care of dear General Kim Chong-il.

He said: "I am reluctant to have the homeland, with the affectionate image of the great leader Generalissimo Kim Il-song and the boundless care of respected General Kim Chong-il coming back in my memory. Fatherly leader, look down on me from Mansu Hill, standing high on it.

"I solemnly pledge myself to hold the great leader of our people general Kim Chong-il in high esteem, invariably upholding his leadership with loyalty and filial piety, true to the behests of respected Generalissimo Kim Il-song.

"Thus I will devote the remainder of my life to building up Chongnyon into loyal ranks sharing destiny with respected General Kim Chong-il, thinking of and following only him.

"Fatherly leader you will always be with us."

Russian Delegation Praises Kim Chong-il

SK2210105294 Pyongyang KCNA in English 1035 GMT 22 Oct 94

[Spelling of Russian names as received]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—The members of the visiting delegation of the Russian parliamentary Group for Friendly Relations with Korea were interviewed by reporters here on October 19. Chairman of the group Aleksey Ponomaryov told newsmen:

"We came to Korea at a time when the Korean people were meeting the hundredth day after the death of the great leader Comrade Kim Il-song in bitterest grief. No sooner had the members of the delegation alighted from the plane than they visited his statue on Mansu Hill, laid a wreath they brought from Russia and paid a silent tribute to his memory.

"Today the Korean people are firmly believing in and following the dear leader Comrade Kim Chong-il.

"We believe the Korean people will carry forward to accomplishment the revolutionary cause of the great leader and make brilliant achievements in the work to build a socialist paradise in Korea under the guidance of the dear leader Comrade Kim Chong-il.

"We firmly believe that Korea will be reunified in accordance with the great leader Comrade Kim Il-song's reunification formula based on one nation, one state, two systems and two governments."

Valentin Agafonov, a member of the delegation, said that in Korea everything is directed to the happiness and welfare of the people and that the work for the prosperity and development of the country is being done on the basis of the singlehearted unity of the leader, the party and the masses.

Aleksey Chernyshov, a member of the delegation, said that led by supreme commander General Kim Chong-il, Korea's future of prosperity is guaranteed. "We believe that led by the dear leader Comrade Kim Chong-il, the Korean people will successfully fulfill the party's most correct policy of putting priority into agriculture, the light industry and foreign trade.

The members of the delegation declared that they would fully support the independent and peaceful reunification of Korea and develop the friendly relations between the Korean and Russian peoples.

Meets With SPA Chairman Yang

SK2210001694 Pyongyang KCNA in English 2228 GMT 21 Oct 94

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA)—Yang Hyong-sop, chairman of the Supreme People' Assembly [SPA] of the Democratic People' Republic of Korea, met and had a friendly talk with the visiting delegation of the Russian Parliamentary Group for Friendly Relations with Korea led by its Chairman Aleksey Ponomaryov at the Mansudae Assembly Hall today.

Present on the occasion was Yi Tong-chol, chairman of the Korean Parliamentary Group for Friendship With Russia.

The head of the delegation said that the Russian Parliamentary Group for Friendship Relations With Korea would make positive efforts to develop the friendly relations between Russia and Korea.

Russian Paper Cited Praising WPK, Leadership

SK2210042494 Pyongyang KCNA in English 0405 GMT 22 Oct 94

["'WPK Resolutely Adheres To Revolutionary Principles'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA)—The Russian paper PATRIOT No. 41 carried an article titled "The Workers' Party of Korea Which Greets the 49th Anniversary of Its Foundation on October 10 Invariably Follows Its Line".

After its foundation when the world political situation was changing fast, the Workers' Party of Korea [WPK] has been able to maintain its independent line, repulsing all hues of opportunism, because the great leader Comrade Kim Il-song, its founder and outstanding statesman, led it along a correct path, the paper said, and continued:

The line consistently maintained by Comrade Kim Il-song is being successfully carried forward by Comrade Kim Chong-il, his faithful successor.

By successfully solving the problem of inheritance of leadership, the WPK remains the leading force of the country today and the people are successfully building socialism under its leadership.

The imperialists are now putting greater pressure upon the Democratic People's Republic of Korea than ever before. However, the more shameless the imperialists becomes, the steadier the line of the WPK gets.

Though the WPK is leading the revolution in an acute political and military confrontation, it will neither kneel down nor show the slightest vacillation before the counterrevolutionary offensive of the enemy, as it has never done in the past. It was because its faith and will were unswerving that it has been able to be a revolutionary party which steadfastly defends the interests and independence of the popular masses, not abandoning the basic principles of socialism.

It is the view of the WPK that, though circumstances and conditions of struggle may change, the basic idea and demand of socialism can never change and its revolutionary principles always win.

Even under the difficult conditions in which it is in direct confrontation with the imperialists, the WPK is accelerating socialist construction in conformity with the reality of its country, believing in the strength of its people.

It has converted Korea into a powerful state of independence, self-sustenance and self-reliance in defence and into a country where the people benefit by free medical treatment and free education and have no worry about tax and food, clothing and housing.

The confidence of the revolutionary parties and people in the WPK is growing deeper because of all these achievements and experiences gained under its guidance.

Vice President Meets With Indonesian Delegation

SK2210005194 Pyongyang KCNA in English 2230 GMT 21 Oct 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA)—Pak Song-chol, vice-president of the Democratic People' Republic of Korea, met and had a friendly talk with the visiting delegation of the House of People's Representatives of the Republic of Indonesia led by Speaker Wahono at the Mansudae Assembly Hall today.

Present on the occasion were Yi Mong-ho, secretary of the Standing Committee of the Supreme People's Assembly; Kim Yong-ho, chairman of the Korean Parliamentary Group for Friendship With Indonesia; and Syamsudin Sidabutar, charge d'affaires ad interim of the Indonesian Embassy here.

Parliamentary Delegation Departs

SK2210114994 Pyongyang KCNA in English 1102 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—The delegation of the House of People's Representatives of the Republic of Indonesia headed by its Speaker Wahono left here for home after wrapping up its five-day visit to Korea which it paid at the invitation of the Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea.

It was seen off at the airport by Yang Hyong-sop, chairman of the Supreme People's Assembly, Yi Mong-ho, secretary of the Standing Committee of the SPA, Kim Yong-ho, chairman of the Korean Parliamentary Group for Friendship With Indonesia, and Syamsudin Sidabutar [spelling of name as received], charge d'affaires ad interim of the Indonesian Embassy here.

While staying in Korea, the delegation visited historic Mangyongdae and inspected the West Sea barrage, the Pyongyang metro, the Tower of the Chuche Idea, the Three-Revolutions Exhibition and other places.

PRC, Others Hail North-U.S. Framework Accord

SK2510100894 Pyongyang KCNA in English 1000 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The agreed framework between the Democratic People's Republic of Korea and the United States of America was hailed in different countries.

A spokesman for the Chinese Ministry of Foreign Affairs in a press statement on October 22 said that the adoption of the DPRK-USA framework agreement shows dialogue and negotiations are the only effective way of settling the nuclear issue on the Korean peninsula. He expressed the hope that the sides concerned would make continued constructive efforts for the smooth implementation of the agreement.

China will, as in the past, strive to accelerate the denuclearization of the Korean peninsula and defend the peace and security of the peninsula, stressed the spokesman.

A spokesman for the Indian Foreign Ministry on October 22 hoped that the agreed framework would contribute to easing the tension of the Korean peninsula.

A Romanian Foreign Ministry spokesman hailed the agreement at a press conference on October 19.

Anniversary of PRC Entry Into Korean War Noted

SK2510110494 Pyongyang KCNA in English 1043 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The Central Committee [C.C.] of the

Workers' Party of Korea [WPK], the Central People's Committee of the DPRK and the Administration Council laid a wreath before the friendship tower today on the occasion of the 44th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean war.

Present at the wreath-laying were Politburo member of the C.C., the WPK and Chief of the General Staff of the Korean People's Army Choe Kwang, Vice-premier of the Administration Council Chang Chol and officials concerned.

Chinese Ambassador to Korea Qiao Zonghuai was also present.

Honor guardsmen of the Korean People's Army stood before the friendship tower.

While the band played the wreath-laying music, a wreath in the joint name of the WPK Central Committee, the Central People's Committee and the Administration Council of the DPRK was laid before the tower.

Then wreaths were laid in the name of the Ministry of People's Armed Forces, the Foreign Ministry, the Ministry of Public Security, the State External Economic Affairs Commission and the Ministry of Culture and Art and a wreath in the joint name of the Committee for Cultural Relations with Foreign Countries and the Central Committee of the Korea-China Friendship Association and wreath in the joint name of the Pyongyang Municipal Party and power bodies and administrative and economic organs.

Working people in the city laid bouquets of flowers before the friendship tower.

The participants observed a moment's silence in memory of the fallen fighters of the CPV.

Wreaths were also laid today in the cemetery of fallen CPV fighters in Hyongjesan District, Pyongyang, and cemeteries and monuments in local areas.

PRC Embassy Observes Anniversary

SK2510110994 Pyongyang KCNA in English 1046 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—The Chinese Embassy in Pyongyang today laid a wreath before the friendship tower on the 44th anniversary of the entry of the Chinese People's Volunteers [CPV] in the Korean war.

Present at the wreath-laying were Ambassador Qiao Zonghuai and his embassy officials.

Honor guardsmen of the Korean People's Army stood before the tower.

While the band played the wreath-laying music, the participants laid the wreath before the tower and paid a silent tribute to the memory of the fallen CPV fighters. They also laid a wreath in the cemetery of fallen CPV fighters in Hyongjesan District, Pyongyang.

Meanwhile, the Central Committee of the Association of Chinese Residents in Korea laid wreaths before the friendship tower and in the cemetery of fallen CPV fighters in Hyongjesan District and the CPV delegation a wreath in the cemetery in Kaesong.

Dailies Commemorate Anniversary

SK2510102594 Pyongyang KCNA in English 1011 GMT 25 Oct 94

["Korea-China Friendship Sealed With Blood Will Be Immortal"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—Papers here today in editorials on the 44th anniversary of the entry of the Chinese People's Volunteers (CPV) into the Korean war say that the Korea-China friendship sealed with blood is unbreakable and will be immortal.

NODONG SINMUN in an editorial says:

The CPV's entry into the Korean war on October 25, 1950 was a model of proletarian internationalism and a display of the bonds of deep friendship and solidarity between the Korean and Chinese peoples as class brothers and revolutionary comrades-in-arm based on the revolutionary sense of obligation.

The fraternal Chinese people sent their fine sons and daughters to the Korean war under the banner of the "Resisting America and aiding Korea, safeguarding the home and defending the motherland" at the time of the Korean war, the arduous and grim period of ordeals for the Korean people, and helped them at the cost of blood.

The CPV's entry into the Korean war made a great contribution to the historic victory of the Korean people in the great fatherland liberation war and the strengthening and development of the Korea- China friendship.

The Korea-China friendship put into a new orbit after the CPV's entry into the Korean war has been steadily strengthened and developed in conformity with the desire and interests of the two peoples.

The traditional Korea-China friendship provided and nursed by the leaders of the two countries is ceaselessly developing in the present complicated situation.

The Chinese people have liquidated the aftermath of the old society and achieved radical social changes through arduous struggles.

Socialism has brought the Chinese people a free life and welfare, prosperity and development of the country.

The external prestige of China has risen high.

Today the Chinese people are striving to implement the decisions of the 14th National Congress of the Communist Party of China under its leadership with Comrade Jiang Zemin at the core.

The Korean people rejoice as over their own over the successes made by the fraternal Chinese people in stepping up the modernization of the country, building socialism with Chinese characteristics and reunifying the whole country.

It is the consistent position of our party and people to keep in bloom down through generations the Korea-China friendship which was forged with blood and has withstood all trials of history.

We are convinced that the traditional Korea-China friendship with a long historic root will as ever continue to strengthen and develop thanks to the common desire and joint efforts of the two peoples.

An editorial of MINJU CHOSON stresses that the Korean people will make strenuous efforts to develop through generations the precious Korea-China friendship sealed with blood in the struggle to realize the common goal and cause, remaining true to the intention of the great leader Comrade Kim Il-song.

Dailies' Articles Support Disarmament Week

SK2510050894 Pyongyang KCNA in English 0501 GMT 25 Oct 94

["Disarmament Is Demand of Times"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—Pyongyang-based papers today dedicate articles to the opening of the disarmament week.

The most urgent problem in preventing a war and achieving peace and stability of the world at present is to abolish nuclear weapons and realize general and comprehensive disarmament, says NODONG SINMUN in an article.

Noting that the imperialists do not abandon their policy of strength but work hard for military buildup and qualitative improvement of nuclear weapons, going against the demand of the times, the author of the article says:

People express concern over the situation in the northeast Asian region. Japan refuses to give up her militarist ambition and is rushing headlong to her conversion into a military power, a nuclear power, thus creating another threat to peace in this region. Military buildup and development of nuclear weapons are being hastened in South Korea, too.

Disarmament and total abolition of nuclear weapons in the northeast Asian region is a key to peace and security in Asia and the rest of the world.

If the imperialists' military buildup is to be checked and frustrated and disarmament be realized, it is essential to strengthen unity of the peace-loving forces in Asia and the world.

It is a consistent position of the DPRK to realize disarmament and ensure peace.

The recent publication of an agreed framework by the DPRK and the United States will be conducive to peace and security in Asia including the Korean peninsula. Peace and military buildup are incompatible. Only when nuclear weapons and other mass destruction weapons are abolished and comprehensive and total disarmament realized, can peace and security of the world be achieved.

Disarmament must be realized in conformity with the desire and aspiration of the world progressive people.

In a signed article, MINJU CHOSON says that the key to nuclear disarmament at present is not the nonproliferation of nuclear weapons but their total abolition.

Foreign Groups Support DCRK Founding Proposal

SK2210110994 Pyongyang KCNA in English 1053 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—Public organisations and figures of different countries released statements on the occasion of the month of supporting the proposal for founding the Democratic Confederal Republic of Koryo. [DCRK]

The Yemen Council for Peace and Solidarity in a statement on October 11 said that President Kim Il-song put forward the proposal for founding the Democratic Confederal Republic of Koryo (DCRK) and clarified the way of achieving the reunification of the country by means of founding confederal republic through the establishment of a unified national government on condition that the North and the South recognize and tolerate each other's ideas and social systems, a government in which the two sides are represented on an equal footing and under which they exercise regional autonomy respectively with equal rights and duties.

The statement warmly welcomed the proposal for founding the DCRK, saying that it is the most reasonable overture conforming to the reality of the Korean peninsula in which different ideas and systems exist.

Sako Mamadou [spelling of name as received], chairman of the Alliance Committee for Supporting the Independent and Peaceful Reunification of Korea, in a statement on October 11 said that the proposal for reunification through confederation is the most just one which makes it possible to achieve the reunification of Korea on the principles of the North-South joint statement which the North and the South confirmed and declared at home and abroad. It further said:

The real obstacle to the implementation of this reunification proposal is the U.S. troops' occupation of South Korea.

The United States must withdraw its troops and nuclear weapons from South Korea and the South Korean authorities must immediately renounce their policy of dependence on outside forces.

K.L. Kapur [spelling of name as received], general secretary of the All-Indian Newspaper Employer Federation, in a statement issued to the press on October 13 stated that the proposal for founding the DCRK laid down by the great leader Comrade Kim Il-song is the most realistic and reasonable one acceptable to anyone who wants the reunification of Korea.

The South Korean authorities must abolish the "National Security Law" denounced by the international community, immediately release the public figures and students arrested and make a bold decision to accept the proposal for founding the Democratic Confederal Republic of Koryo, he stressed.

Foreign Party Leaders Greet Kim Chong-il

SK2210043294 Pyongyang KCNA in English 0421 GMT 22 Oct 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received messages of greetings from foreign party leaders on the 49th anniversary of the founding of the Workers' Party of Korea [WPK].

The messages came from Rafiq Ahmad Sheikh, secretary general of the Pakistan People's Party; Florian Petrescu, chairman of the National Committee of the Socialist (Communist) Party of Romania; Victor Voichita, chairman of the Romanian Party for New Society; Zbigniew Wiktor, chairman of the National Executive Committee of the Polish League of Communists "Proletariat"; Thurmer Gyula, chairman of the Hungarian Workers' Party; Khaled Bagdash, general secretary of the Central Committee of the Communist Party of Syria; Vincent Cabrera, acting leader of the February 18th Movement of Trinidad and Tobago; Leon Nzokene, general secretary of the Congolese Socialist Party; Gerard Francois Yandza, chairman of the African Socialist Movement of the Congo; Llewelyn John, leader of the People's Democratic Movement of Guyana; Nanda Gopaul, leader of the Labour Party of Guyana; Jose Gonzalez Espinosa, chairman, and Esteban Diaz Jaquez, secretary general, of the Central Committee of the Dominican Labour Party; and Leopoldo Grullon, secretary general of the Central Committee of the Dominican Communist Party (Marxism-Leninism).

They extend warmest congratulations to Comrade Kim Chong-il on the founding anniversary of the WPK and wish him a long life in good health.

They express firm solidarity with the Korean people in the efforts to defend the sovereignty of the country and the dignity of the nation and reunify the country under the leadership of Comrade Kim Chong-il, true to the behests of President Kim Il-song.

Comrade Kim Chong-il also received messages of greetings from the Bulgarian Communist Party (Marxist), the renewal Communist Party of Bulgaria and the Central Committee of the Workers and Peasants Party of Bulgaria.

Foreign Parties Hold Services for Kim Il-song

SK2510043594 Pyongyang KCNA in English 0428 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—Memorial services were held by the Ministry of Foreign Affairs and Cooperation of Equatorial Guinea and the Left Revolutionary Union of Peru and in Kampala, the Cultural Centre in Cairo, and London on the hundredth day after the death of the great leader President Kim Il- song.

Present there were political and public figures and pressmen.

Wreaths and bouquets of flowers were laid before the portraits of President Kim Il-song on the front walls of memorial service halls.

The participants paid a silent tribute to his memory.

Memorial addresses were made by the minister of foreign affairs and cooperation of Equatorial Guinea, the chairman of the National Executive Committee of the Left Revolutionary Union of Peru and other public figures.

They referred to the immortal exploits performed by President Kim Il-song for the Korean revolution and the world revolution and stressed that the Korean people who are holding his excellency dear Kim Chong-il in high esteem as the supreme leader would resolutely defend and creditably carry forward the revolutionary cause started by the great President Kim Il-song.

Meanwhile, on the hundredth day after the death of President Kim Il-song, a government delegation and a delegation of the Party for Unity and Progress of Guinea paid a mourning visit to the DPRK Embassy and the participants in the 145th session of the Executive Council of the United Nations Educational, Scientific and Cultural Organisation and a plenary meeting of the National Council of the Party for Unity and Progress of Guinea paid a silent tribute to his memory.

A meeting of activists of the All-Union Communist Party of Bolsheviks and the All-Union Bolshevik Young Guards was held in Leningrad on the hundredth day after the death of President Kim Il-song.

Kim Chong-il Quoted on Leadership, Socialism

SK2510104194 Pyongyang KCNA in English 1028 GMT 25 Oct 94

["Having Great Leader is Decisive Guarantee To Carry Forward Socialist Cause to Accomplishment"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—To have a great leader is a decisive guarantee to carry forward the socialist cause to accomplishment, says NODONG SINMUN in a by-lined article today.

The dear leader Comrade Kim Chong-il is quoted as saying:

"Leadership of the cause of socialism can be ensured only when an outstanding leader stands at its centre."

The paper says:

The socialist cause is making a long drive in the Democratic People's Republic of Korea because it has another great leader at the head of revolution with the question of inheritance of the leadership resolved long ago.

Just as the leader plays a decisive role in the struggle to pioneer the socialist cause, so does his successor in the struggle to carry forward the cause to accomplishment.

Having a great leader is, above all, a fundamental guarantee to steadily consolidate and develop the unity established by the leader who hewed out the road of revolution.

The unity and cohesion of the popular masses is the foundation of revolution and it is vital to socialism.

Their unity and cohesion, however, cannot be realized spontaneously. The popular masses educated, trained and tempered only by the leader organisationally and ideologically can achieve a powerful unity and cohesion and carry forward its tradition.

If the unity and cohesion of the popular masses, vital to socialism, is to be inherited firmly, there must be a successor to the cause of the leader. It is entirely because Korea has another great leader that our singlehearted unity nursed by the great leader Comrade Kim Il-song is being consolidated more firmly as the days go by.

Next, to have a great leader is a decisive factor in successfully realizing the idea and leadership of the leader and carrying the cause of socialism to accomplishment.

It is the leader that makes the popular masses a powerful motive force of socialism shaping their destinies independently and creatively. The idea and leadership of the leader is a fundamental factor illumining the road ahead of the popular masses and always making them ever-victorious in the revolutionary struggle and construction work. If the idea and leadership of the leader are to be successfully applied through generations it is important to have a successor loyal to the leader.

There can be no outstanding leader, apart from the people.

The greatest happiness for the people is to have a great leader and the biggest misfortune is to fail to do so.

The unswerving victorious advance of socialism in our country is entirely thanks to the wise leadership of the dear leader Comrade Kim Chong-il.

Our people is the most proud and glorious people carrying the cause of socialism to accomplishment, led by Comrade Kim Chong-il, the great leader of our party and people.

With the dear leader Comrade Kim Chong-il held in high esteem at the head of the party, the state and Army long ago, the question of the inheritance of the leadership has been successfully solved in our country.

Our people have come to believe through the protracted and arduous revolutionary practice that led by the dear leader they can force their way through any storm and stress and defeat any formidable enemy.

The decisive guarantee to carry the cause of our socialism to accomplishment lies in upholding the leadership of the dear leader Comrade Kim Chong-il.

Kim Chong-il's 'Wise Leadership' Praised

SK2310134894 Pyongyang Korean Central Broadcasting Network in Korean 0920 GMT 23 Oct 94

[Unattributed talk: "The Wise Leadership in Further Strengthening the Singlehearted Unity of Our Party and People"]

[FBIS Translated Text] Today, our people have risen more vigorously to achieve national reunification and the chuche revolutionary cause by upholding the great leader Comrade Kim Il- song's lifetime will, with singlehearted unity toward the dear leader Comrade Kim Chong-il.

Our people, who resolutely rose by turning the great sorrow of losing the fatherly leader, the sun of the nation, into strength and courage, are effecting a new upsurge in all fields of socialist construction, and are further glorifying our own style of popular mass-centered socialism with the might of singlehearted unity.

Our singlehearted unity, in which the party and people form a perfect whole, is being consolidated with each passing day; its indomitable might is demonstrated at the highest stage.

By cherishing with firm faith that "the respected leader is with us forever," our people endlessly respect and yearn for the leader [suryongnim]. We are filled with resolve to more satisfactorily uphold the dear comrade leader by increasing the loyalty and filial piety we failed to fulfill with the leader [suryongnim].

Today, the genuine aspect of singlehearted unity between the party and people—in which the party and the leader [suryong] trust and love the people, and the people trust and follow the party and the leader—is being proudly displayed in our country. This is entirely the result of the wise leadership of the dear leader Comrade Kim Chong-il.

The great leader Comrade Kim Il-song has taught: Today, all the people have attained singlehearted unity with the party as the center, and thus have formed a great family. They are loyally upholding the party's leadership.

The unity and cohesion of the party and people, with the leader [suryong] as the center, are the source of our invincible might and the firm guarantee of the victory of the revolution.

The dear comrade leader paid special attention to unity and cohesion from the early days of his leading the revolution and construction, including the party's work. He raised our unity and cohesion onto a high stage of singlehearted unity by unswervingly defending and protecting the tradition of unity and cohesion provided by the great leader [suryongnim], and by further glorifying them.

Singlehearted unity is a unity and cohesion in which the leader [suryong], the party, and the masses are united into one social and political organism. Singlehearted unity is the highest level of unity and cohesion, with a firmness and vitality that cannot be destroyed by anything.

The dear comrade leader turned the leader [suryong], the party, and the masses into a strong and mighty driving force of the revolution, which has attained singlehearted unity, through his uncommon ideological and theoretical activities and his energetic leadership. He strengthened the driving force of the revolution by further consolidating our singlehearted unity. With the might of this unity, he is vigorously leading the revolution and construction.

The wise nature of the leadership of the dear leader Comrade Kim Chong-il, who is constantly strengthening unity and cohesion, has been shown in that he further consolidated the ideological basis of unity and cohesion by putting forward revolutionary slogans.

For one to constantly strengthen unity and cohesion, one should constantly consolidate their ideological basis. Unity and cohesion are the unity of ideology and will. Therefore, when the party and people are united on the basis of one ideology, they can achieve solid unity and cohesion.

Our singlehearted unity is a unity and cohesion based on the chuche idea, the great leader's revolutionary idea. The dear leader Comrade Kim Chong-il expounded the road for us to advance along by deeply understanding the demand of the development of our revolution and the aspirations of the people, and by putting forward the appropriate slogans of struggle. He put forward the revolutionary slogan "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideas!" to our people who cannot repress a sense of endless admiration for the respected leader [suryongnim].

The slogan reflects the lofty intention of the dear comrade leader to expedite achieving the chuche revolutionary cause by more firmly arming our people with the chuche idea, the respected leader's revolutionary idea. It also contains his lofty intention to make the popular masses firmly rally behind the party, both ideologically and mentally, based on the chuche idea, and thus further strengthen singlehearted unity.

With this slogan, our party and people can advance forward with singlehearted unity by assuming the great leader's revolutionary idea as their ideological basis forever.

Indeed, the slogan put forward by the dear comrade leader works as an important occasion for us to carry to accomplishment the chuche revolutionary cause according to the respected leader's lifetime will, and to strengthen singlehearted unity.

The wise nature of the leadership of the dear comrade leader, who is strengthening singlehearted unity between our party and people, is shown by the fact that he united the popular masses with the party by regarding the people as the most precious existence, and by gave them his endless love and trust.

Our singlehearted unity is an ideological, mental, and moral unity and cohesion based on a sense of obligation.

The party extends great love and trust to the people, while the people dedicate their loyalty and filial piety to repay it. This moral and mental unity is the singlehearted unity of our party and people.

The dear comrade leader, who has embodied the great leader's idea of treasuring the people like the heavens, said our people are good people, and he is blessed with the people. By deeply trusting the people, he rendered all sorts of love and care, and his love and care grows warmer with each passing day. In particular, when the entire nation was in deep sorrow following the sudden loss of the fatherly leader, the dear comrade leader, who suffered greater pains of loss than any other, even sent a special airplane to rescue the lives of triplets who were born in a local area, pushing aside all his busy work. This is a practical example showing how lofty his love of the people is.

Because of such great love and deep trust, our people are highly upholding the dear leader Comrade Kim Chong-il, the supreme commander, with loyalty and filial piety by totally entrusting him with their destiny and future.

We are defending him with our lives. Herein lies one of the secrets of constantly consolidating our singlehearted unity and of unfolding the epic of such unity.

Indeed, the dear Comrade Kim Chong-il strengthened the singlehearted unity of the leader, the party, and the masses by making all people rally behind the party under his outstanding and refined leadership. With the might of singlehearted unity, he is vigorously leading the revolution and construction. That we are highly upholding him as the great leader [yongdoja] of our party and people is the greatest honor and happiness.

The dear leader Comrade Kim Chong-il is a great man among great men, and a great commander of leadership. Because we are upholding him in the supreme position [suwie] of leadership, our people could rise in the new marching road with singlehearted unity with the comrade leader by courageously overcoming the great sorrow the nation has suffered. By resolutely smashing the antisocialist and anti-republic maneuvers of the imperialists and reactionaries, our people are firmly defending our socialism.

This illustrates that as long as we highly uphold the great leader [yongdoja], and as long as there is mighty singlehearted unity, our people can overcome difficulties and trials, and our strength will be invincible.

By deeply cherishing the great pride in living by upholding the great leader [yongdoja], whom mankind highly praises, our people will loyally uphold the leadership of the dear comrade leader and will further strengthen the singlehearted unity with the comrade leader as the center. Thus, we will vigorously expedite achieving the reunification of the fatherland and the chuche revolutionary cause.

Kim Chong-il Thanks Units, Working People

SK2210044194 Pyongyang KCNA in English 0424 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and our people and supreme commander of the Korean People's Army, sent thanks to various units and working people including the Nampo Municipal Party Committee, the Taean heavy machine complex, the Chollima steel complex, Kim Chaek University of Technology, deputy director of the Pyongyang municipal youth hall Cha Tok-il and his wife, and instructor of the Foreign Ministry Yi Song-chol and his family for their examples in assisting the People's Army.

They visited soldiers, congratulated them on their successful combat and political training and encouraged them to display the honour of being soldiers of General Kim Chong-il.

The working people of Korea are bringing into full play the tradition of army-people unity established by the great leader President Kim Il-song during the anti-Japanese revolutionary struggle.

Kim Il-song Praises Engraved on Mountain Rocks

SK2210042894 Pyongyang KCNA in English 0415 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—Monumental letters praising the great leader President Kim Il-song have been engraved on rocks of Mt. Kumgang, a world-famous mountain in Kangwon Province on the east coast of Korea.

The letters reading "the great leader Comrade Kim Il-song will always be with us. July 8, 1994" were engraved on a rock of Popki Peak in Manpok District of inner Kumgang.

The letters of his name each ten metres high and eight metres wide and other letters each eight metres high and five metres wide have been engraved on the face of the rock 80 metres high and 40 metres wide.

"Korea, be proud of the honour of having been led by Comrade Kim Il-song, the greatest ever in the nation's history of five thousand years! July 8, 1994" were engraved on a rock of Ognyo Peak in Kuyongyon District of outer Kumgang.

The dear leader Comrade Kim Chong-il saw to it that the letters reflecting the people's high praises of President Kim Il-song and their unshakable faith were engraved on Mt. Kumgang.

With the letters praising President Kim Il-song peerless in the nation's history of five thousand years engraved on rocks of Mt. Kumgang, the Korean people's deep reverence for him, absolute trust in him and fervent loyalty to him will be handed down through generations

The monumental letters were unveiled with due ceremonies on October 20 and 21.

Addressing the ceremonies, Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea, said:

"Seeing the letters engraved on rocks of Mt. Kumgang, our people will cherish deep in mind the great name and affectionate image of the respected leader Comrade Kim Il-song and deepen their belief that he will always be with them.

"Our people will uphold the dear leader Comrade Kim Chong-il at the head of the party, the state and the Army and remain loyal to his leadership, true to the behests of the great leader."

Innovations in Production, Construction Urged

SK2410121594 Pyongyang NODONG SINMUN in Korean 11 Sep 94 p 3

[NODONG SINMUN article by Kim Myong-chi: "Let Us Effect Upsurges in Production and Construction In Hearty Response to the Noble Intent"]

[FBIS Translated Text] The party members and working class of the various sectors of the national economy are continuously sprouting innovations in implementing the great leader's behests by replacing their great sorrows with strength and courage.

Determinedly rising up to overcome their bitterest sorrows of having bade farewell to the fatherly leader, the party members and working class of the various sectors of the national economy have made a big innovation in production and construction by vigorously waging the struggle to increase production during the last two months.

In July, the party members and working class of the metal industry increased the production of rolled steel 14.3 percent over the same period of last year and, in August, showed a 30 percent increase compared with that in July. The working class of the building materials industry increased the production of cement in July and August by 66 percent over the same period of last year.

The party members and working class of the railway transportation sector delivered 628,000 more tonnes of cargo than traction standard [kyonin chongyang] during the last two months and the electric power industry sector showed an average daily growth rate of 3.7 percent in electricity production over the same period of last year.

The struggle for increased production has blazed up in the coal industry, chemical fertilizer industry, logging industry, and other industrial sectors, effecting upsurges in production in the same period.

Such accomplishments are a manifestation of the burning loyalty of the party members and working class of the various sectors of the national economy who endeavor to brilliantly implement the great leader's lifetime intention under all difficult circumstances. The accomplishments also show the indomitable mettle of our people and our country in which the people and the dear comrade leader have formed a harmonious whole and are vigorously accelerating the socialist economic construction.

The great leader Comrade Kim Il-song taught: "All the economic sectors and units must launch a vigorous campaign for increased production as a mass movement and make effective use of the existing labor, equipment, and materials. Thus, they must tap potential reserves to the full to increase production to the maximum."

The great leader, who spared no pains for the country's economic development, announced on 6 July a grand conception for the socialist economic construction, whose contents include pending tasks and long-range tasks for the national economy's various sectors and elucidated in detail the ways and methods to realize such tasks.

In hearty response to the great leader's behests, the party members and working class of the various sectors of the national economy have resolutely risen up with an oath of heart to serve the dear comrade leader well with increased production, loyalty, and filial duty.

The party members and working class of the electric power industry sector, as the working class who has set up the power industry as a pilot of the national economy, have waged vigorous struggles with an oath of loyalty to uphold the party with the increased production of electricity. By so doing, electricity production increased greatly in July and August compared to last year and hydro power stations showed a 51.3 percent increase in electricity production. During this period, Hochongang Power Plant, Kanggye Power Plant, Changjingang Power Plant, 17 March Hydro Power General Complex, and all other hydro power plants have brilliantly carried out their assignments and numerous small-to-medium sized power stations across the country increased their electricity production quota by 4.4 percent.

Electricity producers in Pukchang Thermal Power Complex, Pyongyang Thermal Power Complex, and other thermal power stations across the country have waged indomitable struggles to increase electricity production, bearing deep in their minds the noble intent of the fatherly leader, who devoted his all to develop the country's electricity industry.

The construction of power plants has also been actively expedited. The builders of the December Thermal Power Plant have staged daring struggles to implement the fatherly leader's behests, thus achieving the proud accomplishment of completing the construction of a number one generator system and beginning the operation of the boilers.

Functionaries and workers in coal industry, who received the 6 July teachings by the respected and beloved leader [suryong] with tears in their eyes, are striving to increase production by accelerating the excavation work as pledged before the bier of the fatherly leader [suryong].

Sunchon District Coal Mining Complex, Pukchang District Coal Mining Complex, and Anju District Coal Mining Complex, the leading coal fields in our country, have taken pride in digging 100,000 more tonnes of coal respectively during the period from January to August this year, compared with that in the same period of last year. During this period, various coal mines—including Songnam youth coal mine, Chilri coal mine, Silli coal mine, and Toksong coal mine—have actively made efforts to increase coal production.

Party members and working class in the metal industry have devotedly struggled to increase the production of steel and iron goods and pledged to more faithfully uphold the dear comrade leader by effecting upsurge in the production, just like they safeguarded and upheld our party by increasing the production during the period of a great chollima upsurge after the war. As a result, they have increased the production of rolled steel 10 percent over the same period of last year and, in August, showed a 30 percent increase compared with that last year. Party members and workers of Kim Chaek steel complex, Chollima steel complex, and Songjin steel complex, as they increased the production after the war, have actively accelerated steel production by highly displaying the revolutionary spirit of self-reliance and fortitude.

Party members and workers of Chollima steel complex have successfully forged a 10,000 ton press and sent various large-scale rollers to Kim Chae steel complex to increase the production of rolled steel products.

Transport workers of the railway transport sector have upheld the will of the fatherly leader, who paid deep attention to properly resolving the transport issue by saying that transport means production, and that transport is a stage of production. As a result, they have transported hundreds of thousands more tonnes of cargo than the transaction period for the last two months by vigorously conducting the "5.18 accident-free, on-time, traction- standard-surpassing movement."

In particular, party members and transport fighters of Pyongyang Railway Bureau have transported 122,000 more tonnes of cargo than transaction standard during August this year by actively struggling to increase the cargo transport at the vanguard of the "5.18 accident-free, on-time, traction-standard-surpassing movement."

Party members and working class of the building materials, chemical industrial, forestry, and light industrial sectors have actively waged a struggle to increase production by upholding the sacred intent held by the great leader's will.

Party members and working class of the building material industry have formulated plans to achieve the production target set by the great leader [suryong] on 6 July and are determined to increase cement production. Party members of the Sunchon cement complex are vigorously advancing at the vanguard of the struggle by increasing production for July and August compared to the same period of last year.

Forestry stations across the country have taken pride in producing 46,000 square meters more timber in August this year than the same period of last year. Workers of the chemical fertilizer sector are actively increasing chemical fertilizer production by properly carrying out facility maintenance work.

Working class of the Taean heavy machine complex—who have assigned tasks to produce new model generators according to the grand plan of the great leader [suryong]—Yongsong machine complex, and Kumsong tractor general plant, including plants and enterprises of the machine industrial sector, have continued to increase the production of facilities, tractors, automobiles, and tool machines.

Party members and workers of the light industrial sector, including workers of shoe plants, have waged a struggle to increase the production of the people's consumer goods as intended by the fatherly leader [suryong], who devoted everything to prepare for our people's happy life during his lifetime.

Party members and working class of the various sectors of the national economy, who brilliantly implement the fatherly leader's will [suryong] under the wise leadership of the dear comrade leader, are more vigorously pushing ahead with our socialist economic construction, while effecting constant innovation with an indomitable struggle.

Daily Stresses Unified, Detailed Planning

SK2510081894 Pyongyang NODONG SINMUN in Korean 13 Sep 94 p 1

[Editorial: "Let Us Thoroughly Implement the Policy on Unified and Detailed Planning Elucidated by the Great Leader"]

[FBIS Translated Text] Today our party and people have the heavy and honorable task of successfully realizing the party's revolutionary economic strategies by thoroughly implementing the teaching left by the great leader Comrade Kim Il-song. What is important in fulfilling this task is to adhere continuously and firmly to the policy on unified and detailed planning presented by the respected and beloved leader long ago.

The dear leader Comrade Kim Chong-il noted:

"The policy on unified and detailed planning presented by the leader should be thoroughly implemented above all."

The success of socialist economic construction is influenced by planning work.

While he was alive, the respected and beloved leader Comrade Kim Il-song gave an overall elucidation of tasks for the socialist economic construction sector and taught on considerably improving and strengthening planning work as an important method to fulfill the tasks. His teaching reflects the party's intention to successfully realize its revolutionary economic strategies and make a revolutionary change in socialist economic construction by more thoroughly implement the policy on unified and detailed planning.

Our people's ideological determination and enthusiasm to completely implement the teaching left by the great leader is great.

What matters is how the functionaries in charge of economic guidance, who are leading members of the revolution, organize and coordinate economic organization work in conformity with the party's intention and the masses' upsurged spirit. The problem to be solved first is to considerably improve and strengthen planning work of the people's economy. Only when we correctly set up a work order, goals, and a balanced method to achieve the goals, as well as properly link all factors of production based on a strict calculation in accordance with the demand of the reality and possibility, by improving and strengthening planning work, it becomes possible to correctly organize and mobilize the masses to the struggle for implementing the teaching left by the great leader and to successfully realize the party's revolutionary economic strategies.

To thoroughly implement the party's unified and detailed planning policy is a sacred struggle to protect, defend, and add luster to the immortal achievements of the great leader Comrade Kim Il-song.

While leading socialist construction at the head, under the banner of the chuche idea, the great leader Comrade Kim Il-song made every effort to create ideologies and theories on the planning of chuche-oriented socialist economy, and by brilliantly realizing them, he presented the creative policy on unified and detailed planning. The policy on unified and detailed planning elucidated by the great leader is a complete socialist planning system and method whose justness and excellence clearly attests to our country's experience in economic construction.

The unified and detailed planning enables producers to exert their rights as genuine masters of planning work and fulfill their responsibility and roles. It also make it possible to strengthen democratic, centralized ruling discipline in planning and to firmly guarantee the planning and balance of economic development.

Adhering invariably to the socialist planning system and method, our party has constantly improved the planning work of the people's economy in accordance with the developing realities and extremely increased the state's function as the organizer of the national economy, so that it has been able to maintain a high speed in economic development and to fully demonstrate the superiority of the planned socialist economy.

The presentation of the unified and detailed planning policy is a valuable achievement the great leader Comrade Kim Il-song made for the cause of socialist construction. Accordingly, to thoroughly implement the unified and detailed planning policy is a sacred work to protect, defend, and glorify the great leader's achievements.

Our struggle today to defend and adhere to the socialist planned economy is being carried out amid intense confrontation with the enemies. Filled with a malicious intent, the imperialists and reactionaries are currently slandering and defaming the socialist planned economy, and are carrying out all kinds of maneuvers to destroy our economy. The road to adhere to and defend the socialist economic system from all kinds of challenges from the imperialists and reactionaries is by consistently adhering to the socialist principle as presented by the party and thoroughly realize unified and detailed planning, thus, endlessly strengthening the socialist planned economy.

All the economic guiding functionaries, party members, and workers must further thoroughly implement our party's unified and detailed planning and wholly defend, adhere to, and brilliantly embody the chuche-oriented socialist economic planning ideology and theory achieved by the great leader Comrade Kim Il-song's unremitting efforts and devotion. By doing so, our socialist economic system can be further consolidated and a new revolutionary upsurge can be realized in economic construction.

Most of all, functionaries and workers must all have a correct viewpoint and position regarding unified and detailed planning.

Unified and detailed planning is the only just socialist planned system and method uniquely put forth by our party.

Unified planning is a revolutionary planned system guaranteeing the uniformity of planning by uniting the state's centralized guidance with the mass line under the party's leadership. Detailed planning guarantees the overall balance of the people's economy in accordance with the party's policy and objective reality. It is also a scientifically planned method in which even the most minute parts of economic activities in all sectors of the people's economy, plants, and enterprises are accurately in gear with each other.

Unified and detailed planning must be realized to successfully overcome subjectivism, bureaucratism, and self-centeredness in accordance with the party's intention, correctly establish the economic growth speed and balance, and firmly guarantee the uniformity and unitariness of economic management to highly manifest the superiority of the socialist planned economic system.

The economic guiding functionaries must have the firm faith that the road to thoroughly implementing our party's unified and detailed planning method is the only way to quickly develop socialist economy in accordance with its intrinsic demand and highly manifest the superiority of the socialist economic system. All the functionaries and workers must resolutely defend and adhere to the unified and detailed planning in which its justness and superiority have been wholly proven. By doing so, the great leader's leadership achievements that were realized in the planned guiding management on socialist economy, can be elucidated generation after generation.

The planned functionaries' responsibility and role must be all the more enhanced to thoroughly implement our party's unified and detailed planning method.

The ones directly in charge of the planned work for the people's economy are the planned functionaries of each sectors, which includes the State Planning Committee. Our party's faith and expectation toward the planned functionaries are very great, and the responsibility and duty the planned functionaries are entrusted with are very heavy.

When he was alive, the great leader always put forth the State Planning Committee as the economic operational bureau of the party and the state, and entrusted the planned functionaries with the heavy and honorary duty of taking charge of and operating the country's economy. Also, the dear leader Comrade Kim Chong-il embraced the greatest faith toward the planned functionaries by regarding them as the revolutionary comrades implementing the party's economic policy at the forefront.

All the planned functionaries must always deeply bear in their minds the great love and faith of the party and the leader, and must fulfill the honorary responsibility and duty they are entrusted with before the party, state and people.

What is important in the economic work at the present is to highly uphold the great leader's lifetime will and successfully implement the party's revolutionary economic strategy. Our people's economy plan must correctly reflect the party's revolutionary economic strategy and must be a plan to thoroughly implement it.

All the planned functionaries must solve the problems arising in drawing up a plan based on the party's revolutionary economic strategy. Under the principle of yielding everything here, the plan must be in gear with each other and be established substantially.

In particular, all planned functionaries including the functionaries of the State Planning Committee must deeply be aware of the high responsibility, correctly establish priorities and step by step goals to implement the great leader's lifetime teaching, and must yield thoroughly in the people's economy planning work in implementing the party's revolutionary economic strategy.

In accordance with the demand of the Chongsan-ri spirit and Chongsan-ri method, all the planned functionaries must always go to production work sites to have a deep understanding of the reality, and actively motivate the producer masses' wisdom and creativity to practically establish the people's economy plan.

What is particularly important here is to enhance the responsibility and role of the functionaries of the regional planning commission. The provincial regional planning commission is a state planning organ situated on the spot. It possesses an important position in the unified planning system established by the great leader Comrade Kim Il-song. The functionaries of the provincial regional planning commission must always be aware of the fact that they are functionaries of the state planning organ closely associated with the production work site, and embody at the appropriate time the party's policy-oriented intention, the state's demand, and the producer masses' creative opinions so that the scientific accuracy and mobilization of the plan can be thoroughly guaranteed.

All the planned functionaries must manifest high responsibility and creativity to correctly guarantee the overall balance of the people's economy in accordance with the party policy and objective reality, and link in a concrete form all elements and units in planning, and further establish the planning indexes in detail to substantially carry out the work so that it can come into gear.

To thoroughly implement our party's unified and detailed planning method, the party leadership of the planning work must be further strengthened.

Just like all other work, the party leadership is an important guarantee to successfully implement the unified and detailed planning method.

The party leadership regarding the planning work must be all the more strengthened so that the party's policy demand can be accurately embodied in the plan. Also, the problem of thoroughly implementing the mass line and enhancing the responsibility and role of the planning functionaries can be successfully solved.

Party organizations of each class must substantially carry out organizational and political work so that all the economic guiding functionaries, party members, and workers can deeply recognize and thoroughly implement the justness and superiority of our own unique style of the unified and detailed planning method put forth by the great leader. Along with this, all the planned functionaries must be correctly led to fulfill their responsibility and role as the ones directly in charge of the work to implement the unified and detailed planning method.

All the economic guiding functionaries, party members, and workers must highly uphold the dear leader Comrade Kim Chong-il's leadership and continue to thoroughly implement our party's unified and detailed planning method to further elucidate the accomplishments achieved by the great leader and bring about a new revolutionary turning point in the struggle to realize the party's revolutionary economic strategy.

Characteristics of Pyongsong City Described

SK2410214794 Pyongyang KCNA in English 1505 GMT 24 Oct 94

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—Pyongsong is a city of science and culture 28 kilometres from the capital city of Pyongyang. Before it made its appearance 30 years ago, it was a small rural village.

In October 1964, the great leader President Kim Il-song visited Pyongsong and unfolded a bright blueprint of city construction, saying that it was a suitable place for a provincial seat in view of its favourable conditions for economic development and productive activities.

Having indicated the planning and scale of the city and the orientation and way of its construction in detail, the president gave on-the-spot guidance to it on tens of occasions and wisely led the work to build it into a peculiar city of science and culture.

In order to bring the grand design of the great leader into practice, the dear leader Comrade Kim Chong-il visited it on more than ten occasions and gave a concrete guidance in all matters arising in city construction such as the question of building the city beautifully to go well with the natural scenery and arranging its central part in such a manner as to meet the desire and demand of the people, constructing organs, educational and cultural facilities, the railroad, the railway station, the plaza, parks and supplying drinking water in the city.

Thus, Pyongsong has been turned into the seat of South Pyongan Province and into a modern city of science and culture with a population of hundreds of thousands.

The National Academy of Sciences of the Democratic People's Republic of Korea stands in the scenic southwestern part of the city.

Situated in the science complex, the scientific research centre of the country with an area of 3.4 million square metres, are the main house of the National Academy of Sciences, cores of its institutes, a scientific exhibition, an experimental center, the central experiment and analysis station, etc. and 10 odd factories are operating for scientists.

Thirty years ago, it had only two primary schools and one middle school. But now, it has many universities including the University of Science, a number of colleges, 60 primary schools and senior middle schools, 30 houses of culture and 50 medical organs.

It is also a city of light industry.

There are the Moranbong watch factory, the Pyongsong synthetic leather factory, the Ponghak general foodstuff factory and other central light industrial factories and tens of local industrial factories. More than 1,000 high-quality goods are produced there.

The total output value of the light industry holds more than 80 percent of the city's gross industrial output value.

Anniversary of Founding of Kim Chong-suk Museum

SK2510042894 Pyongyang KCNA in English 0423 GMT 25 Oct 94

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA)—Hoeryong city in North Hamgyong Province in the northern area of Korea is a historic place where Comrade Kim Chong-suk, an anti- Japanese heroine and an indomitable Communist revolutionary fighter, was born on December 24, 1917 and spent her childhood.

A museum was built at the foot of Osan Hill in Hoeryong on October 24, 1974 and it was named the Museum of the Revolutionary Activities of Comrade Kim Chong-suk in 1982.

A meeting marking the 20th anniversary of the founding of the museum was held Monday [24 October] on the spot.

A congratulatory message of the Central Committee of the Workers' Party of Korea [WPK] to the officials of the museum was conveyed.

The message said that over the past 20 years the officials of the museum comprehensively discovered and arranged the data of the revolutionary activities and revolutionary relics of Comrade Kim Chong-suk and put them on display in good order, took scientific and technological steps to preserve the revolutionary mementoes for eternal value and managed them in a responsible manner.

The WPK Central Committee in the message highly estimated the officials of the museum for successfully fulfilling the revolutionary duty as steadfast defender and propagandist of the glorious revolutionary traditions of our party, upholding the leadership of the party and the leader in the past days.

The message stressed the need to permanently preserve the revolutionary mementoes and make them shine through generations.

Yi Kil-ho, secretary of the North Hamgyong provincial party committee, made a report at the meeting.

Championship Opening Ceremony Held in Pyongyang

SK2510010594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 21 Oct 94

[FBIS Translated Excerpts] The republic championships opened in Pyongyang, the capital of the revolution. In the championships, some 30 sports events—including field and track, volleyball, football, handball, table tennis, tennis, boxing, wrestling, weight lifting, and gymnastics—will take place in stadiums and gymnasiums in Pyongyang.

An opening ceremony for the championships was held at Kim Il-song Stadium on the afternoon of 20 October.

Placed in front of the opening ceremony were portraits of the respected and beloved leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Participating in the opening ceremony were Comrade Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea; Comrade Chang Chol, vice premier of the Administration Council; Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea; other functionaries concerned; and sports figures. [passage omitted]

Pak Myong-cho, chairman of the State Commission of Physical Culture and Sports, made an opening speech. [passage omitted]

South Korea

Cost of Framework Accord Implementation Discussed

SK2510064894 Seoul KYONGHYANG SINMUN in Korean 25 Oct 94 p 5

[Article by reporter Yi Pyong-kwang]

[FBIS Translated Text] Psychological warfare [singyongjon] between the ROK, the United States, and Japan over the question of who will bear the cost of supplying alternative energy sources to North Korea has spread to the general question of who will bear the additional cost necessary for implementing the agreed framework between North Korea and the United States.

This is because the ROK, the United States, and Japan have failed to reach full consensus on the question of bearing any additional costs; as a result, they have concentrated only on the cost for constructing light-water reactors, which constitutes the largest portion of the total cost for aiding North Korea. This is because they have failed to fully grasp technical and procedural matters since there has been no precedent for dismantling graphite-moderated reactors or transferring spent nuclear fuel rods.

This notwithstanding, many nuclear technicians are pointing to the difficulties in time and technology regarding the dismantlement of graphite-moderated reactors possessed by North Korea, adding it will take complicated procedures and will cost much to store spent fuel rods and transfer them to a third country.

Atomic experts say it is necessary to first correctly define what dismantling the graphite-moderated reactors actually means since the only precedent is unified Germany's closure of the graphite- moderated reactors in the former East Germany.

However, Germany only stopped the use of and sealed off its graphite-moderated reactors. This is far from "dismantling" the reactors.

Germany merely stopped the use of graphite-moderated reactors and sealed the outside of the atomic reactors in concrete.

Professor Yi Un-chol of Seoul National University (Department of the Atomic Nuclear Engineering) has stated: "It would be difficult to estimate the necessary cost if one completely dismantles North Korea's five-megawatt experimental atomic reactor and its radiochemical laboratory, both of which are to be frozen and dismantled, and the five-megawatt atomic reactor and radiochemical laboratory that have been contaminated and that are part of the 200- megawatt atomic reactor under construction."

As regards the spent fuel rods, it is not easy to store and transfer them to a third country. It will be necessary to secure a separate storage facility in order to remove the spent fuel rods from the coolant tank in which they are presently stored, and to store them in dried status.

Nuclear experts point out that while this is proceeding, and because the spent fuel rods contain a high level of radioactivity, it is necessary to establish a storage facility while satisfying the strict standards requiring the establishment of a shed and shielding facility.

A larger problem is to transfer the spent fuel rods to a third country after the first light-water reactor is completed in North Korea.

This is because, no matter how intensely the radioactivity of the spent fuel rods is reduced after undergoing decontamination and chemical treatment, it is necessary to have a considerable degree of know-how and to establish a separate storage facility for the transfer of those fuel rods.

Nuclear experts are estimating it will cost $70 million to several hundreds of millions of dollars to store and transfer the spent fuel rods to a third country.

Our government is expecting the Korea Energy Development Organization (KEDO) will deal with this issue since the cost is also linked with aid in North Korea's construction of light-water reactors.

However, those countries participating in the KEDO are studying each other's intentions in that this is not an urgent pending issue. This notwithstanding, they seem to be racking their brains in preparation for a time when negotiations between the countries concerned on this matter will proceed in earnest.

Seoul, U.S., Japan Hold Coordination Meeting

SK2510005894 Seoul YONHAP in English 0051 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—High-level policy-makers from South Korea, the United States and Japan held a planning and coordination meeting in Washington Sunday and Monday [23 and 24 October] to discuss security on the Korean peninsula and in Northeast Asia after the U.S.-North Korean agreement on Pyongyang's nuclear program.

Foreign Ministry officials said Tuesday the tripartite policy planning meeting was attended by Korea's Assistant Foreign Minister for Policy Planning Yi Chang-chun, State Department Director for Policy Planning James Steinberg and Japanese Foreign Ministry Director-General for Planning Coordination Sunji Yanai.

The policy-makers also discussed the creation of a multilateral security convention grouping South and North Korea and the four powers surrounding the Korean peninsula—the United States, Russia, China and Japan. The meeting was designed to address peace and security in Korea and Northeast Asia following the settlement of the North Korean nuclear issue, the Foreign Ministry said.

Article Assesses U.S.-South Team Spirit Plans

SK2510045094 Seoul SEOUL SINMUN in Korean 25 Oct 94 p 5

[Article by Pak Che-pom]

[FBIS Translated Text] General John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff and the U.S. Forces in Korea, said on 24 October that Team Spirit, an annual ROK-U.S. joint military exercise, should go ahead as scheduled in March next year. This indication attracts attention as it confirms "the principle of carrying out" Team Spirit exercise next year as scheduled.

ROK Defense Minister Yi Pyong-tae and U.S. Defense Secretary Perry agreed last week to cancel this year's Team Spirit which was scheduled for November, following an agreement signed by the United States and North Korea which paved a way for North Korea to freeze its nuclear program.

However, in a joint statement summing up Defense Secretary Perry's visit to the ROK, Seoul and Washington indicated that "a joint defense exercise will continue to be carried out to maintain the ROK-U.S. joint defense system," thus hinting that the Team Spirit exercise would continue to be conducted. Through the statement, it seems the two countries stressed their position on Team Spirit with the sudden rise in speculation on the permanent suspension of Team Spirit in the wake of the settlement of the North Korean nuclear problem.

In particular, the two sides confirmed the principle of continuing Team Spirit, viewing that it is significant to maintain a posture of preparedness against North Korea's conventional warfare capabilities, even though the North Korean nuclear crisis has worn off. The ROK and the United States have wholly concentrated on the solution of the North Korean nuclear problem until now, they see North Korea's conventional warfare capabilities as a dangerous factor threatening the security on the Korean peninsula.

On account of this, it has been learned that the two countries have mapped out a plan to counter North Korea's conventional warfare capabilities, which were overshadowed by the nuclear issue, after the complete resolution of the North Korean nuclear issue.

Even though the North Korean nuclear crisis has been defused, the ROK and the United States have a long way to go and are expected to experience many difficulties in the course of implementing the basic framework of agreement. Under such circumstances, the two sides have no choice but to maintain the Team Spirit exercise as a safety precaution.

In this connection, it has been learned that the ROK and the United States have framed a plan that "in principle, the exercise will be staged annually. However, it will be flexibly reviewed in conformity with the development in the situation." In other words, the ROK and the United States will decide on the fate of each year's Team Spirit exercise according to the degree in which the basic framework of agreement is related.

Likewise, the ROK and the United States assume a stance of discussing the issue on the abolition of Team Spirit only when North Korea gives up its line on communizing the entire Korean peninsula which is stipulated in the regulations of the Workers' Party of Korea, and builds up bilateral military confidence with the ROK.

'Expert': South POW's Taken to Former USSR

SK2510112094 Seoul YONHAP in English 1039 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—A number of South Korean prisoners of war were forcibly taken to the Central Asia area of the former Soviet Union during the Korean war, a leading Russian expert on the Korean war claimed on Tuesday.

Dr. Gabril Korotkov, a responsible researcher at the War History Institute of Russia's Defense Ministry, said in an interview with the YONHAP News Agency that part of South Korean soldiers captured alive by North Korean troops were shipped to Central Asia in close cooperation with the former USSR.

Classified documents on the forcible shipment are being kept at secret archives of the former KGB, he said.

Saying that he had worked as a Red Army officer at an intelligence team specializing in the Korean war, Korotkov said he heard his fellow officers say about the shipment of South Korean POW's to Central Asia during his days at the team.

He said that at the intelligence team that operated under the direct control of the Soviet Far East Forces commander, his duty was to interrogate UN command prisoners of war.

South Korean POW's were taken to an isolated area in Central Asia and he has no way to know their number or whether they were taken back to North Korea after the war, the Russian war expert said.

He added the documents in the KGB archives are yet to be declassified.

Economic Projects To Invest in DPRK Reviewed

SK2510084494 Seoul MUNHWA ILBO in Korean 25 Oct 94 p 8

[Article by Ye Chin-su]

[FBIS Translated Text] ROK business conglomerates with teams dealing with North Korea are becoming busy. Although South-North economic cooperation has not yet been conducted in earnest, the executive and working-level officials of those business groups are busy working out detailed strategies. Under various names, such as "Special Region Team," "Project Team," or "North Korea Team," the teams are preparing scenarios for economic cooperation with the North "in secret" in preparation for when ROK investment in the North will become galvanized.

At the moment, the North Korean team of each business group is a small organization made up of three or five officials. Business observers predict, however, that teams will expand at the appropriate time because top executives—including chief executive officers—are directly supervising the projects related to the North.

In case of Hyundai Business Group, Yi Chun-lim, chairman of Hyundai General Trading Corporation, and Pak Se-yong, president of the corporation, are taking charge of working out far-reaching projects for economic cooperation with the North, including a project for the development of Mt. Kumgang. As a result of the decision to construct ROK-style light-water reactors in North Korea, Pak Chae-myon, chairman of Hyundai Construction and Engineering Company, has been busy trying to seek ways to participate in a project to construct the light-water reactors.

In case it obtains the government's permission to visit the North, Samsung Business Group will dispatch Sin Se-kil, president of Samsung Trading Corporation—who is responsible for the business group's projects with the North—and relevant technicians to North Korea. The group has also formed a North Korea team, made up of Cho Kyong-han, a member of the Board of Directors, and two working-level officials, to deal with conducting processing-on-commission trade with the North and doing relevant research.

In case of Daewoo Business Group, Chairman Kim U-chung is supervising North Korean-related projects by visiting the North himself; and Chu Ho-sok, managing director of the secretary's office of the group chairman, is also controlling projects related to the North.

In case of Daewoo Corporation, three working-level officials in addition to President Yu Ki-pom and Pak Chun, director of Department III for Planning Development under Regional Headquarters I, are pushing for North-related projects, including a project for the Nampo Industrial Estate.

Lucky-Goldstar Group is working out various strategies, including a way to advance into the Najin-Sonbong Zone. Its North Korea team is controlled by Pak Su-hwan, president of Lucky-Goldstar Corporation. Its North Korea team, made up of five officials, including Yun Tong-sok, manager of a department—the team leader—and Chang Kyong-hwan, manager of another department, is playing the key role in intensifying the group's projects related to North Korea.

With a view to winning supremacy in economic cooperation with the North, Ssangyong Group is planning to form the Committee for Galvanizing South-North Exchange within the group and to expand North-related projects under the supervision of Ssangyong Corporation's Vice President Yom Chong-tae, who is the committee chairman. Beginning 1 January next year, the corporation will form the new project team to deal with economic exchange projects with the North.

Sunkyong Business Group remains calm because of group Chairman Choe Chong-hyon's motto: "We are making preparations while silently watching the surrounding environment." The group's North-related projects are controlled by Yi In-sang, Sunkyong Corporation's executive director, who is concurrently an assistant to the corporation president and director for planning development projects. Han In-sang, a member of the Board of Directors, and one working-level section chief are conducting research on North Korea.

Kohap Business Group is also very interested in investments in the North. Group Chairman Chang Chi-hyok visited North Korea in 1992. It has been learned that Kohap Group officials have established such close personal relationships with their North Korean counterparts that they are now even conducting processing-on-commission trade of clothing with the Kwangmyongsong General Corporation under the Koryo National Industrial Development. The group's working-level business with the North is controlled by Choe Hwa-kil, a member of the Board of Directors.

In the meantime, Kolon Group, whose North Korea team is led by Choe Sok-chol, Kolon Trading Corporation president, has been so quick that it is the first to begin processing-on-commission trade with the North through opening letters of credit.

Kolon Group has already worked out detailed ways to invest its money in the North through a working-level department that deals exclusively with the group's North Korean projects. The department is made up of Yu Chae-hyon, a member of the Board of Directors, and Kim Tae-sik, manager of a department.

In the meantime, the Federation of Korean Industries [FKI], a command post of business circles, has not yet established a department to deal with North Korea. It is being pointed out that it is necessary to form a department under the direct supervision of the FKI chairman with a view to fine-tuning overlapping investments made by business groups.

The FKI is first planning to conduct in-depth studies on North Korea by forming the "North Korea Study Society"—under the FKI's Research Department I—to encourage open discussions on North Korean affairs.

Companies To Invest in DPRK's Natural Water

SK2410114094 Seoul HANGYORE SINMUN in Korean 23 Oct 94 p 7

[FBIS Translated Text] As the climate for South-North economic cooperation has recently been improved, interest by ROK businesses in North Korea's natural water is increasing. It has been learned that a high-level official of the Chillo Group went to Beijing in early October to contact the chairman of North Korea's Koryo National Industrial Development Council, which is known as North Korea's business channel to the South, and that Chillo has received a positive answer from North Korea on natural water development. The Chillo Group plans to build a large beverage complex in Yonggang, South Pyongan Province, North Korea.

The Tusan Group is pushing ahead with the construction of a beer plant in Dandong, China—adjacent to Sinuiju, North Korea and the Yalu River—and is actively considering advancing into North Korea. The Daewoo and Lotte Groups are also seeking to bring North Korea's natural water into the country. The Korea Plastic Industrial Cooperative, formed by middle and small domestic plastic businesses, plans to build a plastic bottle plant in the Najin-Sonbong region of North Korea to bring in North Korean natural water.

Concern Over Hashimoto WW II Remarks Expressed

SK2510071794 Seoul YONHAP in English 0709 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—South Korea registered regret and concern Tuesday [25 October] over Japanese International Trade and Industry Minister Ryutaro Hashimoto's remarks insinuating a denial of Japanese aggression in World War II.

A Foreign Ministry official stated that Hashimoto's comments are regrettable, a bizarre type of euphoria over Japan's past attack on Asia.

"Such words by an incumbent cabinet member are a distortion of historical facts," said the official. "It is an issue of concern that they could have a negative influence on the development of bilateral relations."

Ministry Spokesman Chang Ki-ho said earlier that the government, in asking about Hashimoto's exact statement, had sought an explanation of his remarks.

Hashimoto, a powerful figure within the ruling camp tapped as a possible candidate to become the next prime minister, was quoted as saying that Japan's enemy during the war was Europe. The comments caused a stir here, taken as a downright denial that Japan was the aggressor against South Korea and the rest of Asia.

Korea was under Japanese colonial rule for 35 years before being freed at the end of World War II.

Japanese cabinet members have now infuriated South Koreans three times since May with comments on the war.

Former Justice Minister Shigeto Nagano enraged Japan's Asian neighbors in may by denying that his country was the wartime aggressor and by claiming that the rape of Nanjing was a hoax. He resigned after apologizing for the remarks.

In August, then-Environment Minister Shin Sakurai also denied Japan's aggression in the war and hinted that the colonial years contributed to Asia's development.

"The conservative, right-wing figures are raising their voice as the 50th anniversary of the end of the war nears next year," a Foreign Ministry official said. "They are trying to stop the Tokyo government from formally admitting that it was the aggressor."

Ministry Seeks Explanation

SK2510020394 Seoul YONHAP in English 0153 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—The Foreign Ministry sought an explanation Tuesday [25 October] for Japanese International Trade and Industry Minister Ryutaro Hashimoto's remarks insinuating a denial of Japanese aggression in World War II.

Ministry Spokesman Chang Ki-ho said the government had asked about Hashimoto's exact words and for an explanation of his remarks.

Hashimoto, a powerful figure within the ruling camp and tapped as a possible candidate to become the next prime minister, was quoted as saying that Japan's enemy during the war was Europe. The comments caused a stir here, taken as a downright denial that Japan was the aggressor against South Korea and rest of Asia.

"We are looking into the question that he was responding to and what his exact words and intentions were," said Chang. "We will register a due response after we find out about them."

Korea was under Japanese colonial rule for 35 years before being freed at the end of World War II.

Japanese cabinet members have now infuriated South Koreans three times since May with comments on the war.

Former Justice Minister Shigeto Nagano enraged Japan's Asian neighbors in may by denying that his country was the wartime aggressor and by claiming that the rape of Nanjing was a hoax. He resigned after apologizing for the remarks.

In August, then-Environment Minister Shin Sakurai also denied Japan's aggression in the war and hinted that the colonial years contributed to Asia's development.

"The conservative, right-wing figures are raising their voice as the 50th anniversary of the end of the war nears next year," a Foreign Ministry official said. "They are trying to stop the Tokyo government from formally admitting that it was the aggressor."

Foreign Minister Departs for Talks With EU

SK2510052694 Seoul YONHAP in English 0520 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—South Korean Foreign Minister Han Sung-chu left Tuesday [25 October] on a journey taking him to Geneva, Paris and Brussels to muster support for a fellow minister's World Trade Organization (WTO) candidacy and for high-level consultations.

He stops over in Geneva to discuss South Korean Trade Minister Kim Chol-su's bid to become the first director-general of WTO, which will be launched next year.

Then the foreign minister heads for Brussels to meet EU [European Union] External Relations Commissioner Leon Brittan to coordinate positions on a bilateral framework agreement and both bilateral and multilateral trade issues at the 10th high-level consultations Oct. 27.

Han will also stop off in Paris to help Kim Yo-su, a Seoul National University Professor, win election as deputy secretary-general of UNESCO.

Korean Air To Build Core Part of Airbus Planes

SK2410235994 Seoul THE KOREA TIMES in English 25 Oct 94 p 8

[FBIS Transcribed Text] Korean Air will build a core part of two aircraft being developed by Airbus Industry and supply the European consortium with it.

According to a company spokesman, Korean Air vice president Sim I-taek recently signed an agreement with Airbus vice president Pierre Dubois to manufacture the rear section of the skin panel used in the A330 and 340 models on behalf of the largest European aircraft maker.

The agreement stipulates that Korean Air will build a total of 400 sections over the next nine years until 2002 with their first shipment to Airbus in April next year.

Korean Air is now able to manufacture the entire skin panel used in the A330 and 340 models as it has built and supplied its front section to Airbus since 1988.

Airbus has been developing the two passenger aircraft models in a battle with the B777 model developed by Boeing of the United States.

Korean Air annually exports aircraft parts worth some $1 billion.

National Assembly Recess 'Expected' To Continue

SK2510000794 Seoul THE KOREA TIMES in English 25 Oct 94 p 2

[FBIS Transcribed Text] The National Assembly is expected to be in recess at least until Thursday [27 October] as the main opposition Democratic Party [DP] yesterday decided not to attend the first three days of the scheduled week-long interpellation session, which was to start yesterday.

At a party caucus held at the National Assembly, the DP, in apparent displeasure with President Kim Yong-sam returning Prime Minister Yi Yong-tok's resignation, resolved yesterday to set aside three days as a mourning period for the victims of Songsu Bridge collapse last Friday.

"As a part of our protest over the government's lack of remorse, we should not attend the interpellation until Thursday when the funerals of all the victims are over," said Rep. Yim Chae-chong during the caucus.

The party also decided to continue its offensive against the ruling camp during the period, demanding President Kim sack all Cabinet members and apologize to the people.

"If the President does not reshuffle the Cabinet, the DP will initiate a nonconfidence move against each Cabinet member Thursday," party spokesman Pak Chi-won said at the end of the caucus.

Under the National Assembly Law, the non-confidence motion shall be referred to a vote of lawmakers at the plenary session within 72 hours.

The DP also plans to demand the ruling Democratic Liberal Party call a meeting of the Assembly Construction Committee to file a complaint against former Seoul mayor Yi Won-chong for giving false testimony before the National Assembly.

"During the committee's inspection on Seoul City government affairs early this month, Yi answered that all Han River bridges were safe, ignoring committee members' repeated questions over the safety of the bridges," Rep. Yi Hae-chan said.

When the tragic mishap took place, killing 32 people, Seoul city government made shameful excuses, attributing the cause of the collapse to a lack of funds, Yi said.

"But, surprisingly, over 1,000 billion won in Seoul city budget was unused last year. We will use this chance to reform malpractices in Seoul city administration," he said.

Also a part of the decisions made by the caucus is the formation of a task force to inspect the causes of the accidents and work out all possible measures to prevent another one.

"The team should have a subcommittee composed of specialists in civil engineering to visit the scene to find out the exact causes of the collapse. And it should hold public hearings to collect opinions and wisdom of experts and work out a long-term plan based on them," Rep. Pak Sang-chon said.

National Assembly's Activities Examined

SK2210040494 Seoul THE KOREA HERALD (Supplement) in English 22 Oct 94 pp 2, 3

[FBIS Transcribed Text] The Constituent National Assembly of the Republic of Korea was inaugurated May 31, 1948, in response to the deeply embedded aspirations, of the Korean people, to establish a democratic and independent nation based upon the noble spirit of the March 1st Independence Movement of 1919.

The Constituent Assembly was composed of 198 members who were elected by a universal, equal, direct and secret ballot May 10, 1948. They adopted a Constitution stipulating a unicameral legislature and presidential system of government July 12, 1948, and began legislative activities July 17 of that same year.

The first President of the Republic was elected by the Constituent Assembly July 20, and thus, the foundation of Republic of Korea was proclaimed throughout the world Aug. 15, 1948.

Since then, the National Assembly has devoted itself to the development of parliamentary democracy as a representative organ of the people, overcoming internal and external difficulties and challenges including the Korean War which broke out June 25, 1950.

The Constitution has so far been amended nine times, and along the way, the Republic of Korea has experienced various types of government such as a presidential system and a parliamentary government; unicameral and bicameral legislatures; and single, plural and proportional parliamentary election system. The present type of government is a presidential system in which the President was directly elected by the people for a single term of five years, and the legislature is unicameral.

Organization

—Members of the National Assembly

The current unicameral National Assembly is composed of 299 members, of which 237 were elected from single-member electoral districts by universal, equal, direct and secret ballots for a term of four years. The remaining 62 members are elected through a proportional representation system where the seats are distributed among the political parties which have won at least five seats in the general election.

Any citizen having reached the age of 25 is eligible to be a candidate for a seat in the National Assembly, while every citizen of 20 years or above is entitled to vote in the elections.

As representatives of the people, members of the National Assembly carry out their duties of legislation, adoption of the budget, inspection or investigation of state affairs, etc.

In order to efficiently carry out these responsibilities, they are also entitled to have parliamentary immunity and privileges under the Constitution and laws. Thus, Assembly members are protected from criminal and/or civil responsibilities for any statements made or votes cast within the chamber, and except in the case of flagrant delicto, they cannot be arrested nor imprisoned without the consent of the National Assembly.

—Speaker and vice speakers

The National Assembly has one speaker and two vice speakers, with one of the two vice speakers representing the opposition party.

The National Assembly elects them in plenary session by a secret ballot. The elections require the concurrence of a majority of the entire membership. The speaker and vice speakers remain in office for a two-year term.

The speaker presides over parliamentary proceedings, maintains order in the chamber, supervises administrative affairs pertaining to the National Assembly, and represents the National Assembly.

In the absence of the speaker from his office, one of the two vice speakers designated by the speaker acts on his behalf. If the speaker and vice speakers are all absent, the National Assembly elects a speaker pro tempore, who exercises the speakership.

—Plenary session

The plenary session is composed of the entire members of the National Assembly, and it makes final decisions on matters submitted before the National Assembly. The convocation time of the plenary session is decided upon by the plenary session itself or by the speaker in consultation with the representatives of the parliamentary groups (the floor leaders).

At least one-fourth of the entire Assembly membership must be present in order for the plenary session to be opened. Unless provided otherwise by the Constitution or other laws, a decision may be reached with the attendance of at least half of the entire membership and an affirmative vote of the majority of those members present.

—Committees and committee members

Committees carry out preliminary deliberation of the bills prior to the plenary session. There are two types of committees in the National Assembly; the Standing Committees and the Special Committees.

In general, the Standing Committees, established under the National Assembly Act, corresponding to the jurisdiction of government ministries and agencies, deliberate bills and other matters relevant to the ministries or agencies.

There are presently 17 Standing Committees: House Steering; Legislation and Justice; Foreign Affairs and

National Unification; Administration; Home Affairs; Finance; Economy and Science; National Defense; Education, Sports and Youth; Culture and Information; Agriculture, Forestry and Fisheries; Trade and Industry; Energy and Resources; Health and Social Affairs; Labor; Transportation and Communications; and Construction.

Special Committees may be set up by a resolution of the Assembly for the deliberation of special bills or matters which fall under the jurisdiction of more than one committee, or which the National Assembly deems necessary for special consideration. The Special Committees remain in existence until the bills or matters referred thereto have been resolved by the Assembly.

In particular, the National Assembly Act provides that the Special Committee on Budget and Accounts be established for the purpose of conducting the overall study of the budget bill and statement of accounts. This Special Committee is composed of no more than 50 members. Being a type of Special Committee, the Special Committee on Budget and Accounts is automatically dissolved when the budget bill and accounts have been adopted at the plenary session.

However, the Special Committee on Ethics which deliberates matters on the qualification, ethics or disciplinary action of a member and the Special Committee on Women's Affairs aimed at promoting women's welfare and interests are operated permanently. Each of these Special Committees is composed of one chairman elected at the plenary session and a certain number of members appointed by the speaker.

The number of members of the Standing Committees is determined by the rules of the National Assembly. Each member of the National Assembly becomes a member of one Standing Committee. The speaker assigns all the members to the standing or Special Committees based upon the proposal of the parliamentary groups, in proportion to the strength of these groups. The term of office for the Standing Committee members is two years.

Each committee has one chairman. The chairman of each Standing Committee, the Chairman of the Special Committee on Ethics and the Special Committee on Women's Affairs are elected at the plenary session from among the respective committee members. The chairmen of the other Special Committees are elected by the respective committees from among their members and the election result is reported to the Assembly.

The chairman represents his committee, presides over the committee meetings, maintains order in the committee, and fixes the date and agenda of committee meetings in consultation with the committee's executive members from the parliamentary groups.

During a session of the National Assembly, the chairman is obligated to convoke committee meetings when he deems necessary to do so or more than one-fourth of the committee members so request. Even when the Assembly is in recess, a committee meeting may be convoked if it was decided at the plenary session, if the speaker of the National Assembly or the committee chairman deems necessary, or if it is requested by at least one-fourth of the committee members.

The National Assembly operates a system in which all legislative bills and other matters must go through a preliminary deliberation by the pertinent Standing Committees. The committee may adopt the bills in their original forms, make amendments to them, propose alternatives, or decide not to refer the bills to the plenary session.

Standing Committees may request the presence of the prime minister, cabinet members and other government representatives to their meetings. They can also ask pertinent agencies to submit documents and to make reports relevant to the subject matters at hand. These requests, however, must be transferred to the government by the speaker of the National Assembly.

If necessary, committees may hold joint meetings in collaboration among themselves to exchange views and opinions. They can also conduct inspections of state affairs or investigations of specific matters, and in order to examine major bills or bills that may require special expertise, they may hold public hearings to obtain the opinions of interested parties or knowledgeable and experienced persons as well as summon witnesses, professionals and experts.

Upon completion of the examination of bills and matters, committees submit to the speaker a report outlining their proceedings and examination results as well as a summary of the minority opinion. When a bill is put for discussion before the plenary session, the committee chairman makes an oral report on his committee proceedings and results.

If necessary, each committee may form subcommittees. Especially, a subcommittee on the examination of petitions may be set up in order to examine petitions. When the subcommittees finish their works, the respective chairmen must report the result to the full committee.

—Parliamentary groups

A political party which holds more than 20 seats in the National Assembly forms one parliamentary group. At least 20 members of the National Assembly who do not belong to any parliamentary group may form an independent group.

When a parliamentary group is formed, an Assembly member representing the group (floor leader) submits to the speaker of the National Assembly a list of the group's members with their signatures attached. Any changes in the membership of the group must be notified to the speaker.

The National Assembly Act provides for ex-officio membership of the floor leaders in the House Steering Committee, thus ensuring that the views of each group are reflected in operation of the National Assembly.

The speaker consults with the House Steering Committee on the decision of the agenda of the plenary session and the daily order of business. It is also customary for the speaker to fix the number of speakers from each group on each item of the agenda at the plenary session though consultation with the floor leaders.

As of October 1994, there are two parliamentary groups in the National Assembly: the ruling Democratic Liberal Party (DLP) and the opposition Democratic Party (DP). The DLP has 177 seats in the Assembly, the DP 98 seats and independents 24 seats.

Powers

Legislation

Legislative power is vested in the National Assembly.

Legislative bills may be introduced either by a member of the National Assembly or by the government. When a member introduces a bill, he must obtain cosignatories of at least 20 members. If the bill affects the budget, it must be supported by at least 30 members.

Once a bill is introduced to the National Assembly, the speaker has it printed and distributed to the members and, reports it to the Assembly. He then refers it to the pertinent Standing Committee before placing it on the agenda of the plenary session.

Legislative bills are passed by the affirmative vote of a majority of members with at least half of the entire membership present, unless there are provisions specified otherwise in the Constitution or other laws.

A legislative bill approved by the National Assembly is transmitted to the government. The President thereupon must promulgate it as law within 15 days from the date of its transmittal. When the President has an objection to the bill, he can return it to the National Assembly for reconsideration with a veto message within 15 days from the date of its arrival.

However, if the National Assembly again passes the bill in its original form with the concurrence of two-thirds or more of the members present and constituting a quorum, the bill becomes law. In this case, when the law is not promulgated by the President within five days it has been transmitted to the government, then the speaker of the National Assembly may promulgate it as law instead.

—Control over finance

The National Assembly is bestowed with the power to examine and adopt the national budget, to examine the statement of accounts submitted by the government, to determine the types and rates of taxes, and to approve the financial obligations of the nation. The parliamentary control over national finance is one of important functions of the National Assembly.

The budget bill shall be prepared and presented by the government to the National Assembly 90 days prior to the beginning of the next fiscal year (before Oct. 2).

In the course of its examination, the National Assembly hears the budget statement from the government, and then refers it to the pertinent Standing Committees for preliminary examination. After being reviewed by the Standing Committees, the budget bill is referred to the Special Committee on Budget and Accounts for an overall examination. Upon completion of the examination, the Special Committee transmits the bill to the Assembly for final adoption.

The National Assembly may amend the budget bill, but it may neither increase the amount of any item of expenditures nor add any new items in the budget submitted by the government without prior consent from the government.

By 120 days before the beginning of the next fiscal year, the Board of Audit and Inspection submits to the National Assembly the accounts of revenue and expenditures of the previous year, with its own findings of the accounts.

The National Assembly deliberates the accounts in the same manner as it handles the budget bill. However, once the statement of accounts is submitted to the National Assembly, it should be promptly sent to the pertinent Standing Committees for preliminary examination.

—Legislative oversight

Every year, the National Assembly resolves that the Standing Committees conduct inspections of the state affairs for 20 days, starting on the following day after the convocation of regular session. In addition, investigations of specific government matters may be conducted by a Special Committee or Standing Committees at the request of at least one-third of the entire membership of the National Assembly.

The Assembly or a committee, by its own decision, may summon witnesses, professionals or experts and hear testimony or statement of opinion for considerations of specific bills or matters.

The prime minister, cabinet members, and other government representatives may attend the plenary session or committee meetings in order to report the state of administration, deliver their opinions, or answer questions from Assembly members. Also, they must appear before the plenary session or committee meetings and reply to questions, under requested [as published] by the National Assembly.

The National Assembly may recommend to the President the removal of the prime minister or a cabinet member from office. The motion for the removal must be introduced by at least one-third of the entire membership of the National Assembly and then agreed upon by a vote of a majority of the entire membership.

If the President, the prime minister, cabinet members, ministers, adjudicators of the Constitution Court, judges, members of the Central Election Management Committee, members of the Audit and Inspection Board, and other public officials specified by law violate the Constitution or laws in performing their duties, the National Assembly may adopt a motion for their impeachment or removal.

The National Assembly also has the right to approve the presidential appointments of the prime minister, the chief justice and justices of the Supreme Court, the chief adjudicator of the Constitution Court, and the chairman of the Board of Audit and Inspection. The National Assembly elects three of the nine adjudicators of the Constitution Court, and three of the nine members of the Central Election Management Committee, respectively, to be appointed by the President.

—House autonomy

The National Assembly has autonomy to establish its own rules of procedures and internal regulations, provided that they are not in conflict with the Constitution and other laws.

Thus, the National Assembly is not interfered by other branches of the government regarding decisions on the convocation, duration and adjournment of the session, internal organizations, such as elections of its leadership, enactments of rules on proceedings and internal disciplines, preparations of the agenda, parliamentary security, maintenance of order, etc.

—Convocation, duration and adjournment of sessions

The National Assembly meets either in regular or special session. Regular session opens once a year on the 10th of September. If the date falls on a Sunday or a public holiday, the National Assembly meets on the next day.

A special session may be convoked either upon the request of the President or one-fourth or more of the entire membership of the National Assembly. When the request is made, the speaker must give public notice of the convocation of the special session at least three days before the opening.

If the President requests the convocation of a special session, the period of the session and the reason for the request must be clearly stated in writing.

The duration of a session must be determined by a vote immediately after the opening of the session, and the period of regular session may not exceed 100 days and that of special session 30 days.

During a session, the National Assembly may decide to adjourn for a fixed period of days. During adjournment of the plenary session, however, committees may hold their meetings.

Plenary session must resume during adjournment, if the President so request, if the speaker should deem it necessary because of an urgent matter, or if one-fourth or more of the entire membership so request. When one-third of the entire membership request the investigation of a specific matter of state affairs while the National Assembly is not in session or is in its adjournment, it is regarded as a request to convoke or resume plenary session.

—Procedures

The opening time of a plenary session is determined by the Assembly, or by the speaker in consultation with the floor leaders of the parliamentary groups.

The speaker prepares the date and agenda of plenary session in consultation with the House Steering Committee. If an agreement cannot be reached, however, the speaker may determine the order of the day on his own. The speaker must notify the date and agenda to the plenary session at least one day before its opening. When all the proceedings of the scheduled agenda is finished [as published], the speaker declares the meeting closed.

A member may introduce a bill with cosignatories of at least 20 members. To bills and matters that require budgetary measures, however, a financial statement must be attached. The proposed bill or motion may be withdrawn only by its original sponsor.

A member of the National Assembly may also propose amendments to a bill with the cosignatories of 30 members or more and with a statement of the reasons. However, amendments to a budget bill require at least 50 cosponsors.

When a member wishes to speak at a plenary session, he must give prior notice to the speaker and obtain his approval. The Constitution guarantees freedom of speech for members in the National Assembly, and they are given parliamentary immunity.

When a member wishes to speak on the procedural motion, he/she must give prior notice to the speaker, with points of his/her intended remarks. Speeches on the procedural motion is at the discretion of the speaker. However, when it relates directly to an agenda item under discussion or when the speaker considers it urgent, he promptly gives a member the floor.

Special Law To Prevent Future Disasters Planned

SK2510054294 Seoul YONHAP in English 0534 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—The Kim administration plans to enact within the year an "extraordinary law governing safe management of facilities" to prevent the recurrence of any major disasters.

The projected law would stipulate standards and procedures for major facilities such as bridges and tunnels, ranging from the design stage to post-construction management, as well as establish a "Facilities Safety Management Corporation."

Punishment of those involved in defective engineering projects would be drastically reinforced, and the wage unit cost raised to a realistic level beginning next year.

This comprises the gist of the "comprehensive measures for prevention of construction disasters" that the Ministry of Construction announced Tuesday [25 October] in the wake of the Songsu Bridge collapse last Friday in Seoul, which claimed 32 lives.

Supervision would be required at major bridge and tunnel projects even when the scale is below 5 billion won (6,250,000 U.S. dollars,) and participation by foreign supervisory firms encouraged for projects over 5.5 billion won (6,875,000 dollars) even before 1997, when this market will be thrown open to foreign companies.

To prevent faulty engineering work stemming from low bids, the projected law envisages sharply lowering the scale of projects for which preliminary qualification checks are required from the present 10 billion won (12,500,000 dollars) to 5.5 billion won. Firms and engineers violating preliminary qualifications repeatedly would lose their licenses.

As for post-construction management of major facilities, bidders would be obligated to specify in their plans the technology, equipment, manpower and yearly expenditures needed to manage facilities following their dedication. For major specific facilities whose post-completion management cost could be determined in advance, sufficient expenditures would be budgeted.

The comprehensive measures also call for licensing criteria for maintenance and management of facilities. A precision safety examination would be conducted before a 10-year default supplementation period expires for specific structures such as bridges and tunnels, and when defects are confirmed this period would be extended.

Specific structures such as bridges would have to undergo periodic safety checks conducted by a qualified outside agency. A "central safety inspection control team" would be set up at the prime minister's office.

In view of the matter's urgency, the administration plans to have the projected extraordinary law introduced by lawmakers and passed by the National Assembly during the current session which closes at year-end.

Steps Ordered To Prevent Flimsy Construction

SK2210074794 Seoul YONHAP in English 0654 GMT 22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—President Kim Yong-sam on Saturday [22 October] instructed the ruling Democratic Liberal Party he is heading and the cabinet to revise relevant laws to fundamentally keep contractors from doing works unfaithfully.

"With the collapse of the Songsu Bridge as a momentum, all major bridges and tunnels across the country should be examined and contractors responsible for flimsy works should be denied any further contracts," the president said.

While presiding over a meeting of his senior secretaries, the president said institutional devices should be made to hold contractors responsible for work they did for 10 and 20 years.

Kim deplored the practices in which contractors put aside large chunks of contract money in the course of subcontracting, practices which he said were necessitated in part by the need to give politicians political funds.

"In worst cases, projects are done at the cost of mere 30 to 40 percent of contract amount because of such practice," he said.

The president told his secretaries to study laying double pontoon bridges near the collapsed bridge so as to minimize traffic inconveniences caused by the mishap, saying that the U.S. forces in Korea, too, expressed willingness to cooperate in it.

Bridges, Subways, Apartments Inspections Planned

SK2510022894 Seoul YONHAP in English 0134 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—Amid Seoulites' growing anxiety after the collapse of a major bridge over the Han River last week, the government has decided to conduct safety checks on all bridges, subways and apartment buildings in the city and will then announce the results, as well as perform necessary repairs and maintenance.

At a cabinet meeting Monday [24 October] afternoon, Prime Minister Yi Yong-tok instructed Deputy Premier and Economic Planning Minister Hong Chae-hyong to appropriate sufficient funds for safety checks on public civil engineering structures so that "nobody can say safety checks could not be done because of a fund shortage."

When Seoul Mayor U Myong-kyu reported a safety inspection plan, Yi told him to include not only bridges and old apartment buildings but also new apartment structures.

The bridge collapse has revealed that civil engineering projects show problems throughout the entire process—design, construction, inspections for completion, safety checks, repair and maintenance, and management—

fueling public anxiety about buildings and other structures, the premier pointed out.

"This is a consequence of the ignorance, irresponsibility and laxity underlying our culture and typifies how far behind other nations we are," he remarked.

All civil servants must reform their way of thinking and behavior so that the bridge accident can serve as a vital lesson for the nation's future, he stressed.

Mayor U promised to conduct overall safety checks on bridges and subways in Seoul and make public the results as well as the necessary repair and maintenance plans.

Arrest Warrants Sought Against 7 Seoul Officials

SK2210120894 Seoul YONHAP in English 1131 GMT 22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—The prosecution, looking into the cause of the recent collapse of the Songsu Bridge in Seoul, on Saturday [22 October] afternoon asked for arrest warrants against seven Seoul municipal officials on charges of neglect of duty leading to death and injuries.

The seven were all of the Tongbu Office of Construction under Seoul City's Bureau of Streets. They include Yo Yong-won, head of the office.

A prosecution source said that Yo and others, responsible for maintaining the Songsu Bridge, did not make required daily checks and quarterly examination of the bridge properly and made false reports to the city purporting that "everything was alright with the bridge."

A preliminary probe showed that the Tongbu Office also failed to take steps despite their knowledge that truss links of the bridge were so corroded that they could not function properly, the source said.

Prosecution Plans To Summon Former Seoul Mayor

SK2510071194 Seoul YONHAP in English 0625 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—The Seoul District Prosecutor's Office has decided to summon former Seoul city Mayor Yi Won-chong and other high-level city officials for questioning over their alleged negligence in connection with the Songsu Bridge collapse last Friday [21 October].

A prosecution official said that Yi and others in charge of bridge management will be called in as early as Tuesday night on suspicion of failing to take appropriate safety steps, thus causing the deaths of 32 people when a 50-meter section of the bridge buckled and plunged into the Han River.

The official said the former Seoul mayor must have known of the danger as he had been instructed several times to conduct safety checks by Chongwadae [presidential offices] and the Prime Minister's Office.

If Yi is confirmed responsible for the bridge mishap due to negligence, he faces legal action for dereliction of duty.

The Prosecutor's Office is currently investigating Seoul City Hall's Road Management Director Yi Sin-yong, who is a direct subordinate of the Seoul city mayor and vice mayor. The office decided to issue an arrest warrant for Yi during the day.

Meanwhile, the Prosecutor's Office is cautiously approaching a probe of newly appointed Seoul city Mayor U Myong-kyu, who was serving as vice city mayor in April last year when he allegedly received a report on the bridge's perilous state from officials of the Dongbu Construction Office.

In addition, vice city Mayor Yi Won-taek and other high city officials who were in charge of bridge management may be summoned for further investigation, the officials revealed.

On Monday night the Prosecutor's Office arrested two officials responsible for road facilities and maintenance—Yang Yong-kyu and Kwon Mun-hyon—on suspicion of neglect of duty.

AI Studying Human Rights Situation in South

SK2510002594 Seoul YONHAP in English 0017 GMT 25 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP)—Amnesty International (AI) officials arrived here Oct. 17 and are examining the country's human rights situation, the Foreign Ministry said Tuesday [25 October].

The AI representatives have met officials from the Foreign and Justice Ministries and civilian organizations for case studies of individual human rights, the fairness of the death penalty system and legal procedures, according to the ministry.

A ministry official said, "They came here to collect materials for next year's human rights reports. They are examining the overall human rights situation under the civilian government."

"Especially," he said, "they consulted family members of the arrested and officials of human rights organizations here to study cases of application of the National Security Law."

Seven Soldiers Arrested for 'Mutinous' Behavior

SK2510002294 Seoul THE KOREA HERALD in English 25 Oct 94 pp 3, 5

[FBIS Transcribed Text] Army investigation authorities arrested seven more soldiers at a seashore defense company late last week in connection with 'mutinous' behavior against their officers.

An Army spokesman said yesterday that the arrests brought to 35 the number of officers and soldiers arrested following the armed desertion of two second lieutenants and a staff sergeant from their barracks at Ulsan County in the 53rd Army Division late September.

The seven were arrested for having been insubordinate to their platoon commanders, mostly second lieutenants, often using low forms of speech, and refusing to salute them.

Their behavior had a very negative impact on military discipline, an Army spokesman said.

Army Second Lts. Kim Tok-chung and Cho Han-sop, along with a staff sergeant deserted their barracks Sept. 27 as a protest against the soldiers' behavior toward their junior officers. The two officers were apprehended in the afternoon of that day, while the staff sergeant remained at large for several days before being caught.

KIF Warns Against Intervention in Stock Market

SK2510001494 Seoul THE KOREA TIMES in English 25 Oct 94 p 9

[FBIS Transcribed Text] The government's intervention in the stock market has resulted in market distortion, rather than stabilization, a study released by the Korea Institute of Finance (KIF) says.

According to the report of the KIF, which is affiliated with the Korea Federation of Banks (KFB), the stock market intervention by the government has had more negative than positive influences on the Seoul stock market.

The government has often exerted its influence in the market in the name of stabilizing the market. It has intervened in the market in order to reverse a stock market trend in most cases.

The report said the interventions, whether to boost or cool off the market, have always perplexed investors and increased uncertainty in the market.

The intervention ultimately undermines the free movement of stock prices, the so-called market principle of supply and demand.

Furthermore, the market intervention weakens the relations between certain firms' stock prices and fundamental factors by which institutional investors judge their level of investment in the firms.

It also results in the economic state or firms' business performance being less reflected on the market, the study said.

The KIF noted the intervention has only short-term effects on the market. And if there are any, it is a negative impact such as reduction in the efficiency of capital distribution by the stock market, it added.

Referring to the government's order to institutions to maintain net buying in August, 1992, it said the requirement had little impact on the pattern of institutional investors' investment.

At that time, the institutional investors increased buying orders not by the government's order to buy but by their own prediction that the economy would recover later, the study said.

Urging the government to refrain from exerting its influence in the market, the report said the intervention should be limited to only in such case as a possible "market collapse."

Even at a time when the government believes intervention is inevitable, it said, the market should be notified in advance.

"The government's stock market policy should be transparent and consistent," it said.

In addition, it said the intervention should not become additional uncertainty in the stock market.

Heavy Machinery Business Liberalization Scheduled

SK2510005694 Seoul THE KOREA HERALD in English 25 Oct 94 p 8, 10

[FBIS Transcribed Text] Korean heavy machinery manufacturers have begun to make preparations for the scheduled liberalization of the domestic power generation equipment business.

Under the Uruguay Round (UR) agreement on government procurement, Korea is required to open its market for power generation equipment beginning 1997.

Once the market is liberalized, the government should allow foreign suppliers to participate in the bidding for power generation machinery.

So far, the government has allowed the state-run Korea Heavy Industries and Construction Co. (HANJUNG) to virtually monopolize the local power generation equipment market.

As a preparation for the planned liberalization, the government has decided to open the domestic market to local heavy machinery manufacturers starting Jan. 1, 1996.

At the same time, it intends to privatize HANJUNG next year to sharpen its competitiveness.

These envisaged steps are leading domestic heavy machinery producers to muscle into the power generation equipment sector, which is often called the flower of the machinery industry, to which they have been denied access.

To government policy makers in charge of the machinery industry, however, the liberalization scheme poses a tough challenge. To them, the primary policy goal is attain technological independence in the production of power generation equipment.

When the market is opened, however, the inflow of foreign equipment will make this goal hard to pursue.

"Despite our opposition, Korea has become a party to the UR government procurement agreement. Now, we have no choice but to help HANJUNG and other domestic heavy machinery producers to improve their competitiveness as early as possible to cope with competition from foreign firms," said An Hyon-ho, an official at the Ministry of Trade, Industry and Energy (MOTIE).

Having monopolized the domestic market for some 10 years, HANJUNG has accumulated a considerable amount of technology. According to the company, it has raised the local content ratio for nuclear reactors to 63 percent, for turbine-generators to 82 percent and for boilers to 92 percent.

In terms of price, however, HANJUNG is still no match to such foreign powerhouses as General Electric, Westinghouse, Mitsubishi or ABB.

"For HANJUNG, we have to help it secure core technologies, diversify its business portfolio and advance into overseas power generation markets under partnership with foreign firms," An said.

The government should help ease other domestic heavy machinery manufacturers, into the power generation equipment sector.

"If the government intends to help us, it will have to abolish HANJUNG's monopoly in the domestic market earlier than Jan. 1, 1996," said Kim Tong-sik, an official of Samsung Heavy Industries Co.

This view was shared by officials of Hyundai Heavy Industries Co. and, above all, the Korea Electric Power Corp. (KEPCO), the state- run power monopoly which, on behalf of the government, sets up power plants.

According to officials of Samsung and Hyundai, they already have facilities to manufacture boilers which had been built in the 1970s before the government introduced the monopoly for HANJUNG.

"As far as boilers are concerned, we can supply them now if the government allows us," Kim said.

Kim disclosed that when HANJUNG's monopoly is lifted, Samsung will concentrate on boilers and will not go so far as to produce turbine-generators.

"As we have no experience at all in turbine-generators, we have no intention at the moment of moving into that area," Kim said.

Hyundai, however, is more adventurous than Samsung. The nation's No. 1 heavy machinery producer, Hyundai has already begun to set up a plant for turbine-generators.

"The plant will be completed in the first half of next year. Then, we will begin installing production equipment in the first half of 1996," said Kim Tong-chin, a Hyundai official working at the company's plant in Ulsan on the southeastern coast. The plant, which will cost 250 billion won (about $310 million), will turn out both gas and steam turbine-generators with a wide range of capacity, according to Kim.

In fact, Hyundai has been producing small-capacity turbine- generators for small-sized power plants set up by private companies to meet the power needs at their industrial plants. "In the initial period, the turbine-generators that we will produce will not be so competitive. But we will be able to catch up fast, just as we did in the diesel engine field," Kim said.

According to Kim, Hyundai emerged as the world's No. 1 producer of diesel engines with over 6,000 horsepower in about 10 years after it turned out its first product.

Like Samsung, Hyundai is also interested in boiler manufacturing. According to a Hyundai official, the world boiler market is estimated at $30 billion a year, with a large proportion of it accounted for by Asian countries which are experiencing an explosive demand for power.

"In boiler manufacturing, we think we will be able to secure competitiveness in a fairly short period of time," said Na Chon-o, another Hyundai official.

Along with these firms, KEPCO is also calling for an early abolition of HANJUNG's monopoly on the grounds that the introduction of competition will bring down the coasts of setting up new power plants.

The government, however, appears to be not considering advancing its liberalization schedule. One main reason for this is that the liberalization plan is closely tied with the privatization of HANJUNG.

"If liberalization precedes privatization, it may undermine HANJUNG's technological capabilities as private firms will certainly try to headhunt their officials. This is not desirable because it will mean the weakening of HANJUNG's, and by extension Korea's, technological independence," said MOTIE's An.

In pushing the liberalization scheme, the ministry is worries that too many private heavy machinery firms may try to move into the power generation equipment sector, crowding the small domestic market. This apprehension, however, appears to be futile.

"If we have decided to enter this new sector, it is not because of the domestic market but because of the world market, especially the emerging Asian markets," said Samsung's Kim.

In addition, as Samsung's decision to concentrate on boilers well demonstrates, domestic heavy machinery firms appear not to be reckless enough to invest a huge amount of money into areas where they have no experience.

Burma

Rangoon To Distribute Singaporean Newspaper

BK2210132994 Rangoon Radio Myanmar in Burmese 1330 GMT 21 Oct 94

[FBIS Translated Text] The Stationery, Printing, and Photo Equipment Trading of the Ministry of Trade and Singapore Press Holdings Limited signed an agreement to distribute BUSINESS TIMES newspaper of Singapore at a ceremony held at the Stationery, Printing, and Photo Equipment Trading's meeting hall on Merchant Street at 1320 today.

The BUSINESS TIMES newspaper will be the first foreign newspaper to be distributed by the Stationery, Printing, and Photo Equipment Trading in Myanmar [Burma] in the near future.

[Hong Kong AFP in English at 1643 GMT on 21 October in a Bangkok-datelined report adds: "No foreign newspaper or magazine has been sold in Burma since 1964."]

Opposition Constitutional Seminar Issues Statement

BK2310101694 Oslo Democratic Voice of Burma in Burmese 0030 GMT 23 Oct 94

[Statement issued 21 October at the constitutional seminar sponsored by the National Council of the Union of Burma held in the Manerplaw liberated area]

[FBIS Translated Text] A constitutional seminar sponsored by the National Council of the Union of Burma [NCUB] was held successfully in Manerplaw from 10 to 21 October. The seminar was attended by over 160 delegates from 41 organizations and General Saw Bo Mya, chairman of NCUB; Nai Shwe Kyin, chairman [of New Mon State Party]; U Marko Ban, elected representative [from Pekon Township Constituency, Shan State]; U Daniel Aung, elected representative [from Mong Ping Township Constituency, Shan State]; U Tin Maung Win from the CRDB [Committee for Restoration of Democracy in Burma]; U Tin Aung from the National League for Democracy [NLD] liberated area; U Maung Maung Latt, elected representative [from Thaketa Township Constituency, Rangoon Division]; U Maung Maung Aye, elected representative [from Mandalay Northeast Township Constituency-1, Mandalay Division]; (?Dr. Zahle Tang), elected representative [?from Falam Township Constituency-2, Chin State]; and Gen. (Tamla Baw) from the KNU [Karen National Union] acted as the panel of chairmen.

At the seminar, cordial and frank discussions were held on the prevailing political problems in Burma and the basic principles regarding establishment of a future federal union.

Concerning the SLORC [State Law and Order Restoration Council] National Convention, the SLORC, which is not a legally-elected government, has no right to convene a National Convention; the current National Convention is a sham; and the basic principles passed by the SLORC's National Convention are merely aimed at legalizing the military dictatorship. Therefore, the seminar unanimously adopted a resolution to not recognize the National Convention or its outcome.

Moreover, regarding the establishment of a future federal union, all delegates attending the constitutional seminar unanimously agree that Burma is in dire need of a new constitution now and propose that the future constitution should include;

a. National sovereignty shall reside with the people.

b. Burma shall be formed into a federal union in accordance with the objectives of the Panglong Agreement signed by General Aung San and the leaders of the national races, the propositions and fightings by the national races for over four decades, the Bo Aung Kyaw Road Declaration signed between the NLD and the Union Nationalities League for Democracy, the Manerplaw Agreement, and the historical background on the collective domicile of the nationalities.

c. to guarantee national equality and autonomy for the nationalities.

d. to proclaim multiparty system and human rights.

e. to practice a system of power sharing between federal and state governments.

f. to exercise a bicameral system consisting of a national parliament formed with delegates from the various states and the people's parliament formed with people's representatives.

g. to deploy a system having separate and independent legislative, administrative, and judicial systems.

h. the defense services shall be regarded as an organization performing state duty under civil administration and shall not participate nor get involved in any politics.

The seminar also endorsed the urgent need for convening a genuine national convention where delegates can freely and frankly discuss and coordinate in writing a constitution which guarantees democracy and a federal union system.

The SLORC, in order to solve the prevailing political problems politically, should:
a. unconditionally release Daw Aung San Suu Kyi and all political prisoners,
b. officially announce a nationwide cease-fire,
c. revoke all unlawful laws,
d. recognize the results of the 1990 May elections.

Brunei, Malaysia & Singapore

Malaysia

Israel Recognition To Depend on Peace Efforts

BK2410152594 Kuala Lumpur NEW SUNDAY TIMES in English 23 Oct 94 p 10

[FBIS Transcribed Text] Kepala Batas, Sat.—Malaysia has no intention of recognising Israel unless it takes concrete measures to help the peace process in the Middle-East, Foreign Minister Datuk Abdullah Ahmad Badawi said today.

For the time being, he said, Malaysia was not ready to follow the footsteps of several members of the Organisation of Islamic Conference in establishing a relationship with the Jewish State.

"Unless Israel takes measures to honestly implement what has been agreed in last year's Washington-sponsored peace agreement, there will not be a shift in Malaysia's current stand," he told reporters after attending a meet-the-people session at Sekolah Kebangsaan [National School] Pinang Tunggal near here.

On the East Asia Economic Caucus (EAEC), Abdullah said there was no proposal for its establishment without Japan's participation.

"Japan's participation in the group is crucial thus the direct appeal made by Prime Minister Datuk Sri Dr Mahathir Mohamed yesterday," he added.

In Oita City, Dr Mahathir expressed ASEAN's disappointment when Japan officials asked that he explain all over again what the proposed EAEC was all about. He said ASEAN was prepared to wait for Japan's decision as the country's stand on the EAEC was presently non-committal.

Bosnian, Croatian Premiers Arrive for Visit

LD2510131994 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 25 Oct 94

[FBIS Translated Text] Croatian Prime Minister Nikica Valentic and Bosnian Prime Minister Haris Silajdzic have arrived on a four-day visit to Malaysia. The Croatian delegation includes Minister of Economics Nadam Vidosevic, Goran Dodik, ambassador in the Foreign Ministry, and public relations officer Milovan Baletic.

The Bosnia-Herzegovina delegation, in addition to Haris Silajdzic, includes Jadranko Prlic, deputy prime minister and defense minister and Energy and Industry Minister Faruk Smajlbegovic.

During their visit to Malaysia, Prime Ministers Valentic and Silajdzic will have a joint meeting with their host, Prime Minister Mahathir bin Mohamed and they will also visit the government agency for strategic planning and economic development and some of Malaysia's most well-known firms; they will also be received by the Malaysian king.

'Diehard' Al-Arqam Members To Be Sent to Centers

BK2510140094 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 25 Oct 94

[FBIS Translated Text] The Islamic Center will not hesitate to place any diehard al-Arqam followers in rehabilitation centers to be established soon. Datuk Zainal Abidin Abdul Kadir, director of the Islamic Affairs Division of the Prime Minister's Department, said today that such action will be part of efforts to ensure that the deviationist teachings do not upset the people. At present, the government is still giving al-Arqam followers the opportunity to repent and return to the correct path. This, however, does not mean that the teachings will be allowed to survive.

Datuk Zainal was speaking to reporters after presenting aid to 75 religious schools in Kelantan in Kota Baharu. He said the Islamic Center will occasionally assess the time frame for al-Arqam followers to repent and return to the correct path. If necessary, the time frame originally scheduled for one year will be shortened. The Islamic Center will also seek the cooperation of former leaders of the group to show followers how to return to the correct path.

Cambodia

Ranariddh Appeals for Release of Western Hostages

BK2510081294 Phnom Penh National Radio of Cambodia Network in Cambodian 0400 GMT 25 Oct 94

[Appeal by First Prime Minister Norodom Ranariddh issued in Phom Penh on 25 October—read by announcer]

[FBIS Translated Excerpt] As a special case and to express reverence and profound gratitude to the Father of National Reconcialition and Father of National Peace, whose health is not very good and who is concerned daily about the health of the three foreigners, I insistently call on the spirit of love for the nation and for the motherland of compatriots in Phnum Voar to release and hand over the foreign hostages to the king directly on the occasion we celebrate his 73d birthday. I solemnly pledge that during your return to your home village and district, I guarantee 100 percent your security and your daily life, will provide ranks and honors to those compatriots who want to serve in the Khmer Royal Armed Forces, and will provide satisfactory rewards to you. [passage omitted]

Ranariddh Ready To Accept Sirivut Resignation

BK2410131094 Hong Kong AFP in English 1257 GMT 24 Oct 94

[FBIS Transcribed Text] PHNOM PENH, Oct 24 (AFP)—Cambodian co-premier Prince Norodom Ranariddh said Monday that he would accept the resignation of Foreign Minister Prince Norodom Sirivut, but added that he had yet to receive such a request.

"I have not received his request yet but if he asks to resign I will accept it," Prince Ranariddh said. His comments followed an announcement by Prince Sirivut

Sunday that he would resign from the post. The foreign minister said he would send his resignation notice to the premier, with whom diplomats said he was scheduled to meet on Monday. Government officials were unavailable for comment on the resignation.

Diplomats say the foreign minister's proposed move was largely a protest at the ousting of his close confidant Sam Rangsi from the post of finance minister in a cabinet reshuffle on Thursday.

The foreign minister is also said to be unhappy at the way Cambodia's government was ignoring the wishes of King Norodom Sihanouk, who is currently undergoing cancer treatment in China. King Sihanouk recently wrote to Sam Rangsi praising his "enormous service" to the nation and people.

KR Cabinet Decrees Use of Political Violence

BK2510092094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 24 Oct 94

["Communique" of the Secretariat of the Provisional Government of National Union and National Salvation Cabinet dated 24 October; place not given—read by announcer]

[FBIS Translated Text] The Cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 24 October, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

The Cabinet heard reports on the developments of our national salvation struggle presented by each department and ministry. After discussing them in all aspects with a high sense of responsibility, the Cabinet clearly noted the head-long decline in all fields of the old and new enemies and their lackey, the traitorous two-headed government, and set forth a number of measures as political objectives. The Cabinet informed the entire nation and people of these measures so that together we can carry on the struggle even more actively in order to quickly end the war of the aggressor communist Vietnamese and save our Cambodian nation, people, and race.

I. The overall situation of the old and new enemies and their lackey, the traitorous two-headed government, at the end of the 16th rainy season and the beginning of the 17th dry season:

At the end of the 16th rainy season and the beginning of the 17th dry season, the old enemy—namely, communist Vietnam—and the new enemy—namely, the villainous Western alliance—and their lackey, the two-headed government, are losing more and more and heading toward a total collapse in all sectors and fields. In the military field, their already dispersed, disintegrating forces are continuing to be scattered, and are collapsing on all fronts. In the political field, they are resolutely rejected by the entire Cambodian nation and people in both the countryside and Phnom Penh as well as by those living abroad. Our brothers oppose them in all forms. The two-headed government is utterly isolated, having no one on its side. In the economic and financial field, they are now penniless because they have spent whatever they had on fuelling the endless war of the communist Vietnamese aggressor. Their inner circles are racked by splits, infighting, and insecurity.

Facing all-out defeat and confronted with an impasse, the communist Vietnamese no longer hide their true colors. They are taking dictatorial and exclusive control of everything. They are in full control of the legislative, the executive, the Army, and the police, as well as the civilian administration in the countryside. They tolerate the presence of no other forces. Anyone who does not surrender to them; who does not become their satellite; who refuses their policy of undermining national reconciliation, sabotaging peace, and wiping out the Cambodian race is discarded by the communist Vietnamese. Currently, they are taking dictatorial and exclusive control and strengthening the aggressive political and military violence of the regime that they set up in 1979.

The so-called political violence of the aggressor communist Vietnamese is pressure, intimidation, and bullying of all types and by all methods brought about through through their administration in all sectors from top to bottom, especially in Phnom Penh and in the villages and communes. In Phnom Penh alone, the communist Vietnamese use political violence to arrest, pressure, and quieten all categories of forces which refuse to be their satellite and do not belong to them.

In the war of aggression and genocide against Cambodia over the past 15 years, the aggressor communist Vietnamese have been using both political and military violence, with the stress falling on the use of aggressive political violence as their eyes, ears, and arms and as fetters and shackles to constantly choke off and decapitate the people in all sectors and fields, in both the countryside and Phnom Penh.

II. The measures constituting our common political objectives:

The Cabinet noted the overall situation of the old and new enemies and their lackey, the traitorous two-headed government. The latter are being defeated and heading toward total collapse in all sectors. At the same time, the Cabinet clearly saw their nature as warmongers who are bent on continuing the genocide against the Cambodian people. Through both their public pronouncements and concrete activities, it is evident that they have tried and are trying hard to prepare to further attack and continue massacring the Cambodian nation and people without any compromise or any thought of national reconciliation and peace. They continue to attack us both militarily and politically, especially politically. They are relying on all sectors of their civilian administrations in the villages and communes, both overt and covert, as networks of the Communist Party of Vietnam to serve the military war, the political war, the economic war, the propaganda war, the pacification war, the dark war, and all kinds of depraved, deviant aggression. They use the aggressive political violence of communist Vietnam as the most important weapon to dissolve and sink the political view and organizational setup of the national and people's forces and the forces of the national struggle. At the same time, they also use military violence to attack and kill us.

For self-defense and to protect the land, paddies, orchards, and rice of the people both during the upcoming rainy season and in the future and in order to save our nation, people, and race, the Cabinet has advised the provincial, district, commune, and village committees to continue paying attention to closely uniting as a single body with the people in order to promote:

1. A clear understanding that the weapon used in the past and at the present by the communist Vietnamese, villainous Western alliance, and traitorous two-headed government to kill our Cambodian people and exterminate our Cambodian race is both political and military violence, especially political violence. This means that they use communist Vietnam's civilian administrations in all sectors in the villages and communes, both overt and covert, to continue killing the people and fueling the war.

2. The strong resolve of the nation and people to join with the National Army of Democratic Kampuchea [NADK] in using both military and political violence—taking political violence as the basis and most important tool—to fight to save the nation and liberate our people. Indeed, in the countryside, it is imperative to continue jointly waging the people's war to smash and sweep away from the villages and communes all of communist Vietnam's civilian administrations in all sectors, both overt and covert. Attacks should be repeatedly launched until both the old and new enemies and the two-headed government no longer have their arms, ears, eyes, and mouthpieces to conscript new troops and conduct raids, pacification operations, or psychological warfare, thus enabling the old and new liberated villages and communes to live in peace and happiness.

In the past, our Cambodian nation and people, especially the peasants in the countryside, clearly saw how communist Vietnam's civilian administrators in the villages and communes murdered the people, conscripted troops and militiamen, and imposed K-5 corvees, sending our brothers to die like flies. Our brothers have also joined the NADK in waging the people's war to smash and sweep away these communist Vietnamese civilian administrators in all sectors.

Concrete experiences clearly show that in localities where the people joined hands to smash and sweep away all these satanic goons of communist Vietnam, our local people have become free from the plundering, murderous, rapacious, conscripting, and corvee-imposing, two-headed, invading troops.

All of us are determined to continue the struggle even more actively along this direction. Only when all of us, both the people in the countryside and those in Phnom Penh, continue to do this tenaciously will we be able to achieve the sacred aspiration of our entire nation and people and will we be able to achieve genuine national reconciliation and peace and save and perpetuate our Cambodian nation and race.

24 October 1994
The Secretariat of the PGNUNS Cabinet

Indonesia

Alatas Denies Amnesty International Allegations

BK2410163594 Jakarta ANTARA in Indonesian 1316 GMT 24 Oct 94

[FBIS Translated Excerpt] Jakarta, 24 October—Foreign Minister Ali Alatas has expressed regret that Amnesty International [AI] has often launched counterproductive political campaigns against Indonesia under the pretext of human rights. "AI is fond of criticizing Indonesia. It even said that Indonesia has not made any progress in its human rights record in the last 30 years," he said at the second national workshop on human rights held at the Foreign Affairs Department in Jakarta on Monday.

"The allegations are untrue and not based on fact. We must deny their allegations even though they do not want to listen to other views," he stressed.

Alatas admitted that human rights violations still occur in Indonesia, but it is understandable because Indonesia is a large country with a multiethnic and multireligious background. What is most important is how the government and its apparatus take action against individuals who commit violations.

"I must admit that human rights violations do occur from time to time but I consider them occasional deviations from our policy and these violations do not reflect our overall policy. I believe that human rights violations also take place in every country," he said. [passage omitted]

Importance of Asia Pacific, APEC Forum Viewed

BK2310065594 Jakarta SUARA PEMBARUAN in Indonesian 8 Oct 94 p 2

[Editorial: "Asia-Pacific: 'The World's Future'"]

[FBIS Translated Text] Indonesia has received the world's confidence to host the APEC (Asia-Pacific Economic Cooperation) Economic Leaders Meeting, AELM, in Bogor on 15 November. The leaders are from 18 countries in the region.

Though the 18 economic leaders that are scheduled to meet in Bogor are only representatives of the countries' presidents/heads of government, the issues they will discuss are very significant. These issues do not only concern Indonesia but are also related to other countries in the Asia-Pacific and the world as a whole.

Briefing newsmen on preparations for the meeting in Jakarta on Friday 7 October, Murdiono, minister and state sectretary, said the Asia-Pacific is "the world's future" because of its vast potential. Being the host, we have a direct interest in the AELM not only economically but in our capacity as chairman of the Nonaligned Movement, NAM. On the top of that the preamble of the 1945 Constitution stipulates that Indonesia is to contribute in implementing an order in the world which is based on independence, abiding peace, and social justice. If we go into further detail, we will see that the Asia-Pacific region is of great consequence to Indonesia. This is because about 60 percent of the total foreign investment in Indonesia comes from Asia-Pacific countries. Besides, not less than 35 percent of Indonesia's donor countries are from the region. About 70 percent of our total exports are also destined for Asia-Pacific countries.

The population of the Asia-Pacific, which is about 2 billion people or about 40 percent of the world's population, has a significant role to play in the international economy, as it is expected to make up two-thirds of the world by the 21st century. The region's gross national product (GNP) is huge. In 1992, its GNP was U.S.$12 trillion, or more than half of the world's GNP.

Differences exist among the 18 Asia-Pacific countries whose leaders are scheduled to gather at the Bogor Palace for their second meeting, following the inaugural APEC leaders meeting on Blake Island, Seattle, last year. There are industrialized, newly industrialized, and developing countries. Its demography is also unique—it comprises countries with the largest populations to countries with the smallest populations in the world.

It is interesting to note that the 18 countries sending representatives to the meeting also constitute the North and the South. It would not be an exaggeration to say that the meeting at the Bogor Palace will simultaneously provide a chance for the leaders to proceed with a North-South dialogue. Some observers have concluded that an attempt to find a breakthrough to end the deadlock in the North-South dialogue will be made at the upcoming meeting in Bogor.

In his capacity as the NAM chairman, President Suharto will certainly take the opportunity to exchange views with world leaders and conduct a dialogue session with leaders of the Group of Seven Industrialized Countries (G-7). At the same time, NAM aspirations will be channeled through the AELM. Thus, President Suharto will use the Bogor Palace meeting to voice Indonesia's interests and the aspirations of NAM members.

APEC groups the ASEAN countries, Australia, New Zealand, Papua New Guinea, Canada, the United States, Chile, Mexico, PRC, Taiwan, Hong Kong, Japan and South Korea. At least three heads of state/heads of government have confirmed their attendance at the meeting. In conjunction with the occasion, the presidents of the United States and the PRC, and the prime minister of South Korea are scheduled to make official visits to Indonesia.

The Bogor Palace meeting is expected to achieve several decisions that will support and further accelerate development in the developing countries in the Asia-Pacific. That the AELM is to be held in Indonesia is of special significance as NAM member countries feel honored to be hosting the occasion. This honor has been given to Indonesia not because President Suharto happens to be the current NAM chairman. Rather, it is due to the country's strategic location at the crossroads of two oceans and two continents. Being at the crossroads has positive as well as negative effects on Indonesia, as it becomes a theater of competition for world powers. Yet, it is still able to play its role particularly in the Asia-Pacific, and generally, in the world.

We have to admit that the APEC economic leaders meeting at the Bogor Palace beginning 15 November is very important to Indonesia not only nationally but also internationally. This is more so because the world has recognized the vast potential of the Asia- Pacific, such that they refer to it as the "world's future".

Thailand

Cabinet Reshuffle List Submitted to King

BK2510015194 Bangkok Radio Thailand Network in Thai 0000 GMT 25 Oct 94

[FBIS Translated Text] Regarding the reshuffle of cabinet ministers under the quotas of Phalang Tham Party [PDP] and New Aspiration Party [NAP], which has made news throughout the past two weeks, the issue has now been definitely concluded.

Yesterday, Prime Minister Chuan Likphai granted an interview to reporters before leaving the Government House for home. He said that he had submitted the reshuffle list of cabinet ministers under the quotas of PDP and NAP to his majesty the king for royal approval and signature.

Earlier in the morning of the same day, the prime minister said that the office terms of the ministers who had not yet submitted their letters of resignation from their posts will terminate today.

Chuan, Prasong Comment

BK2510045494 Bangkok THE NATION in English 25 Oct 94 pp A1, A2

[FBIS Transcribed Text] The Cabinet reshuffle list has been submitted to His Majesty the King without any changes, Prime Minister Chuan Likphai said last night.

A Royal command appointing 14 new ministers and deputy ministers is expected today.

Chuan said he did not expect Phalang Tham Party (PDP) dissidents, led by the 11 ministers dropped from the Cabinet in controversial reshuffle of PDP portfolios, attempt to rock the coalition boat.

"I treated all of the outgoing ministers like my colleagues. We have shared some tough times together," Chuan said after meeting with the PDP ministers. Asked what he had spoken about during the farewell gathering, the prime minister said "I told them to be proud of their work an to continue supporting the government because they are still a part of the coalition government. "

Meanwhile, the leader of the PDP dissidents, outgoing Foreign Minister Prasong Sunsiri, marked his last day in office yesterday with parting shots directed a party leader Chamlong Simuang. In a remark that may well yet stir up another controversy, Prasong said that reviving th PDP's popularity would be harder than "resurrecting Jesus Christ".

Prasong, whom opponents have often accused of being insensitive and inconsiderate, recently received a high-level honorary decoration from the Papal Nuncio, the Pope's representative in Thailand.

Prasong yesterday vowed to continue the fight for "principles of righteousness" and said that his honour remains untarnished.

"Principles must be upheld. Work rules must be observed. The nation does nol belong to anyone," said Prasong.

The outgoing minister said PDP leader Chamlong and the party's executive board would have to take full responsibility for forcing him out of the post.

In defending his work record, Prasong claimed that opinion polls had shown that the public thought he had performed well.

"When it comes time to write a history of Thai politics, it should be recorded that a minister whose performance was flawless and supported by opinion polls had to quit because of a party's leader and its executive committee," the minister said.

The former PDP deputy leader also hinted yesterday that the row between party actions was not yet over. "It's too early to talk about tomorrow. The day is long and there's still some time left," he quipped vhen asked what he would do tomorrow (today) after he leaves his job.

Asked whether he would reveal the name of a minister whom he suspects might have been involved in the abortive coup attempt in Cambodia, Prasong said he did not want to talk about individuals.

Prasong persisted with his refusal to submit a formal letter of resignation, saying that he had done nothing wrong and that his departure from office would take effect once the nomination of Thaksin Chinnawat, his successor as foreign minister, had been formalized by the issuing of a Royal command.

"I have done my best to carry out the foreign policy statement announced in Parliament and it has proven to be fairly successful, whether one is to examine our relations with neighbouring countries, with Asean or with Europe," the outgoing minister claimed.

"Prasong is laughing," he said, when asked whether he would accept an offer from minister-designate Thaksin for him to act as a personal adviser.

Prasong Cautious Over Release of Detained Thais

BK2510085694 Bangkok THE NATION in English 25 Oct 94 p A4

[FBIS Transcribed Text] Foreign Minister Prasong Sunsiri warned against premature euphoria over the possible release of the nine Thai suspects detained in Cambodia for alleged involvement in the abortive July coup.

"Don't believe anything as yet," he said, adding that Thailand must continue to closely follow the prevailing situation of the detainees.

Phnom Penh has charged the nine Thais of illegally carrying and transporting weapons and participating in a plot to overthrow the elected Cambodian Government.

The group has been detained since July 2 and will be tried in a Cambodian military court on Thursday.

There has been strong speculation that whether the group is found guilty or not they would be granted a royal pardon and deported to Thailand to mark Cambodian King Sihanouk's birthday on Oct 31.

Deputy Prime Minister Banyat Banthatthan said yesterday that the Thai government is checking the accuracy of reports on the possible release of the group.

Banyat said he does not believe that Thai officials were involved in the coup attempt as alleged, but the government has decided to establish a committee to investigate this after some "proven facts" came to light.

"The investigation stemmed from the meeting of the National Security Council where it was mentioned that officials of some (Thai) government agencies, including the NSC (National Security Council), were involved.

"It was not likely (that Thai officials were involved), but due to continuing talks (about the matter) and discovery of some proven facts, the meeting has decided to establish a committee to find out the truth," said the deputy premier.

He said he has been following reports or the putsch and does not believe the NSC was involved in the affair.

"But to put the agency (NSC) at ease and clear public confusion, this probe into the allegations is a good thing," he said.

Parliament President Marut Bunnak declined any comment yesterday about the trial of the nine Thai suspects but said he was pleased to hear that they may be released on King Sihanouk's birthday.

Cambodia Wants 5 Thais Back To Assist in Trial

BK2510090794 Bangkok THE NATION in English 25 Oct 94 p A4

[Report by Marisa Chimprapha]

[FBIS Transcribed Text] Phnom Penh—Cambodia wants five Thais, allowed to return home in August, to appear at a military court here on Thursday together with the remaining nine Thais charged with involvement in a coup attempt, Thai Ambassador to Phnom Penh Sakthip Krairoek said yesterday.

Sakthip said he had already forwarded a request to the Thai government asking for the five men to appear at Thursday's court hearing.

The men released from detention in August were Buala Prathum, 34, Prayat Phuthong, 28, Arun Phukham, 36, Sarot Khunkaeo, 26 and Amnat Kaeokaenkun, 22. They were among the 14 Thai nationals rounded up by Cambodian police shortly after the abortive coup attempt on July 2.

"It's up to the five to make a decision on the matter. I have already forwarded a letter from the military court to the Thai government via the Foreign Ministry. It notifies the five that they should appear before the judge on Thursday at 7.30 am," the envoy said.

The five, all of whom are trishaw drivers, were freed from detention on August 19, on condition that they would be prepared to return to Cambodia if requested to assist further with the investigation into the coup attempt.

The letter was signed by Gen Ney Thol, chairman of the military court who will be the judge at the trial later this week.

"The purpose of Thursday's hearing is only consider the case against the nine Thais. Sin Sen, formerly state secretary at the (Cambodian) interior ministry and Tes Chay, former chief of the police department and five other Cambodian suspects will not appear in court as was earlier reported," Ambassador Sakthip explained.

The nine Thais are charged with carrying and transporting weapons, transporting weapons into a restricted area, participating in a plot to overthrow the Cambodian government and assembling for criminal purposes.

The accused are: Somsak Surattananun, Anuchit Thungphonphum, Prathuang Phonyiam, Narongchai Tantawanit, Amnuai Nimnuan, Sakhon Chatsuk, Adisak Yuthamongkhon, Phongsan Phukklakhang and Aram Khromkrot.

A Thai firm, Antenna Hightech Co Ltd, which is based in the Rangsit area, has repeatedly claimed that the 14 men were hired to carry out a telecommunications survey in Phnom Penh and other provinces in Cambodia. Three of the accused, Somsak, Anuchit and Adisak, are employed by the company as technicians. However, the five Thais freed in August have denied any association with the telecommunications firm.

A legal expert with the Cambodian Human Rights and Development Association said yesterday that the nine Thais would be charged under article 36 of a provision relating to crime and the judiciary which was in force during the period when the UN Transitional Authority of Cambodia (Untac) was based in the country.

"The penalty for illegally carrying and transporting weapons and ammunition with the intention of overthrowing the government would be from three to five years," the expert revealed.

Gen Ney Thol told THE CAMBODIAN DAILY that the nine Thais will be charged under an amalgamation of provisions contained in two separate legal codes. The weapons charge is covered by Untac's Supreme National Council Act, articles 36 and 54, while the charge of participating in a plot to overthrow the government comes under article 3 of an earlier law.

Sak Kosaengruang, president of the Law Society of Thailand, who is leading a group of lawyers in Phnom Penh, yesterday confirmed reports that there would be good news for the nine Thais and for Thailand. He said his group would be carrying out an in-depth study of the Cambodian legal system during their visit just in case the situation does not turn out as expected.

"We have learnt that the King of Cambodia, similar to our King, can grant an amnesty to prisoners. Cambodian law allows the judge to grant bail and a convicted person can also appeal to the Appeal and Supreme Courts," he said.

According to Sak, those convicted of involvement in the coup could face jail sentences of from 20 to 30 years. However, Sak said that information obtained during his visit, which started on Sunday, had given rise to the expectation that there would be good news for the nine Thais.

It is still unclear whether the judge at Thursday's hearing will order a further investigation or if he will merely hand down his verdict on the nine suspects, Sak explained.

Murder Probe Halted; FUNCINPEC Links Seen

BK2510090594 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 25 Oct 94 p 2

[Report by Jacques Bekaert from Phnom Penh]

[FBIS Transcribed Text] Cambodia's First Prime Minister Prince Norodom Ranariddh has suspended investigation into the murder of an outspoken Khmer newspaper editor after members of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party were said to have close ties with the killers, according to Cambodian Interior Ministry sources.

According to the sources, the prince issued the order a week after Interior Minister Yu Hokkri said the killers of Nuon Chan, 45, had links with senior FUNCINPEC members.

Yu Hokkri, who is a FUNCINPEC man, made the disclosure during a meeting with his co-minister Sar Kheng, of the Cambodian People's Party (CPP), the sources said. Yu Hokkri told Sar Kheng that he knew who the killers were and where they were hiding, the sources added.

Nuon Chan, the late editor of the twice-weekly SAMLENG YUVEAKCHON (Voice of the Khmer Youth), was shot dead in central Phnom Penh on September 7.

Cambodian police then said two unidentified gunmen were involved in the killing.

One of the suspects has been identified by a man who was riding a motorbike behind Nuon Chan and saw the reportedly military-style operation.

Sin Moni, who frequented the same coffee shop as Nuon Chan and had become friendly with the late editor, identified the suspect from a set of photographs produced by officials of the Interior Ministry.

Sin Moni had been encouraged to go to the ministry by journalists of SAMLENG YUVEAKCHON, and a reward of US$1,000 offered by the government. But Sin Moni's testimony to the ministry and the photograph of the man he identified were later leaked to a local newspaper and both Sin Moni and the suspect have gone into hiding.

Journalists from SAMLENG YUVEAKCHON have been to the ministry several times to seek justice for their murdered boss.

The journalists subsequently asked the Cambodian Human Rights Action Committee to launch an independent investigation into the killing. But the committee which brings together several of the largest human rights group in Cambodia, turned down the request, saying such an undertaking was the responsibility of the government.

Nuon Chan was the second editor of the bi-weekly which was launched in April this year by a group of former electoral campaign workers of FUNCINPEC who felt they had been betrayed by their party.

The newspaper's first editor, Keo Phala, resigned after a number of warnings from the information and interior ministries.

The newspaper persistently reminded FUNCINPEC party leader Prince Ranariddh of his pre-May 1993 election promises to settle problems concerning Cambodia's borders, corruption, illegal Vietnamese settlers, and search for a compromise with the Khmer Rouge.

In the weeks before Nuon Chan's death, the newspaper called for the return to Cambodia of King Norodom Sihanouk and allowance for him to lead a policy of national reconciliation.

The last issue before the killing, published on September 6 carried articles attacking close associates of First Prime Minister Ranariddh and Second Prime Minister Hun Sen.

Vietnam

Further Reportage on National Assembly Session

Vo Van Kiet Report, Part 4

BK2510114094 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 21 Oct 94

[Fourth installment of Prime Minister Vo Van Kiet's socioeconomic report delivered at the opening of the Sixth Session of the Ninth National Assembly in Hanoi on 20 October—read by announcer]

[FBIS Translated Text]**II. Some major issues for 1995**

Dear National Assembly deputies, over the past few years, our people have striven to score many important achievements in further strengthening the economic potential of our country, consolidating its political stability, and improving its position in international relations. The country's new improvements have served as an increasing source of encouragement for overseas Vietnamese compatriots to look toward the fatherland and to join efforts to build the country. These improvements have also helped encourage our country's friends and potential investors to develop new relations. These achievements have affirmed that our renovation process is being undertaken in the right direction. They have increased the momentum for Vietnam's development, further clarified the directions and capabilities to move the country forward, and created more favorable conditions for us to seize opportunities to usher Vietnam into a stage of more rapid and steady development.

Prior to presenting some major issues for 1995, I would like to emphasize that the situation regarding the country's development requires us to increase and improve our renovation process. Those achievements scored during the years since our party directed people to carry out the renovation undertaking have created many new issues for the entire socioeconomic life of our country. Agriculturally, we should not stop at affirming peasants' right to land use. The pressing need for peasants today is to apply new technologies in their working methods. These cannot be old methods. They are certainly not do-it-yourself methods, nor are they ones that allow the recurrence of the accumulation of land through mutual land encroachment. We will not achieve development and modernization on the basis of 10 agricultural laborers working on only one hectare of rice and allowing peasants to remain idle for several months per year.

For the last few years, there has been an increasing requirement from many rural areas to develop horticulture-, industrial crop-, and animal husbandry-based economies; the artisan industry; handicraft production; and support services. So, what models of cooperation should be built to meet these requirements? What should be done to further bring these new sectors and occupations into the countryside? And how do we provide more input supplies, covering industrial capital and other necessary services, for this process? Where should the new products turned out by peasants and laborers in the countryside be sold? It is hard to imagine the tough pressures of these new issues.

Our country's industry during the years of renovation under market mechanisms requires us to rearrange and restructure it. The party Central Committee's Seventh Plenum set forth a number of industrial tasks to be carried out until the year 2000 and discussed the need to study a strategy for national industrialization and modernization with the target being exports. These days, viewed from any angle, stepping up industrialization is synonymous with the need to increasingly participate in international labor division. This also means that we must accept and be able to cope with growing competition and inter-dependence in the world market.

With many profound experiences, the history of our country's industrial development over the past four decades helps us foresee how difficult and complex our country's upcoming industrialization and modernization tasks will be, especially in today's world where the scientific and technological revolution has brought unpredictable challenges and new potential in many areas. The increasingly globalized world market is prompting economic cooperation while creating tougher competition between countries.

Taking into account other aspects throughout the entire country, requirements for development are all the more pressing. Compared to five years ago, the Gross Domestic Product currently produced has increased 50 percent; the volume of exports has increased three-fold; and the volume of imports over two-fold. Also compared to five years ago, the people's buying power has doubled. Demands on the economy for raw materials, energy, communications, transportation, and services have also increased considerably. In the years to come, according to plan, these figures will continue to increase. For example, in the year 2000, our export value will increase between two and two-and-a-half times. Many industrial products such as cement and construction steel will increase two- to three-fold. We must process more marketable grain and food products, particularly those designed for export, etc.

In the period ahead, the country's demands for market, capital, technologies, and employment as well as for the development of education and public health and other social welfare benefits will become even greater.

Vietnam has presently established business and trade relations with more than 100 countries and our economy must focus strongly on exports. Therefore, we must accept that we are forced to compete economically with 2 billion other Asians. Security and national defense in the new situation must also be strong.

In the next five years, our economy will require between 3 and 5 billion dollars in foreign investment, and will require an even greater amount in subsequent years. This also means that we must mobilize a very large sum of domestic capital and further improve the balance of the currency/goods relationship.

The 1994 situation also proves that we must continue to perfect and expand current production relations in order to create new links between different economic sectors and between industry, agriculture, and service to develop a combined strength throughout the entire nation. This is an indispensable condition for speedy development to improve our competitiveness in the outside world.

Despite ongoing efforts in the family planning sector, our population will increase at a high rate in the next 10 years. In the mean time, agricultural land will be reduced greatly both in total area and in arable land per capita because of the population increase, the expansion of infrastructure establishments, and the general urbanization process.

It is possible to confirm that our country is enjoying a good chance to extricate itself from poverty and backwardness to become a civilized and modern country under the socialist direction. At the same time, we must admit that our current economic lagging may impose other dangers. The economic lagging is now a bitter challenge for us even in times of peace when our people have completed national liberation and unification and at a time when the world has changed completely. World history has testified that the existence of a country, be it small or powerful, depends on its capacity to overcome or to surrender to changes in the world. Now our people must provide an answer to that.

Suppose that by the year 2000 our Gross Domestic Product reaches 450 dollars per capita. In such a case, the gap between our country and most other countries in the region will still widen. Therefore, it is critical that we find a correct way and urgently prepare for higher and stable development so that after the year 2000, we can narrow the gap and strengthen our security and national defense. Being complacent with achievements, pessimistic at difficulties, and indecisive over challenges will not help move our country forward.

After presenting the aforementioned points, I want to stress that only with the determination to accelerate the renovation and move ahead can we find suitable ways to meet urgent demands on national economic development. This requires our entire people more than ever to exert their best efforts and determination. All our striving will be for national independence and self-reliance, and for the goal of a prosperous population, a powerful country, and an equitable and civilized country.

From that viewpoint, 1995 is decisive in our struggle to overfulfill the targets outlined in the 1991-1995 period. Next year is also a strategic year in that the entire party and people must prepare for better national progress in the remaining years of this century.

On behalf of the government, I would like to present to the National Assembly the following major issues of 1995:

1. Urgently renovating the financial and monetary system: This is an urgent task to create a major management means for the market- oriented economy and to ensure state management over the national macroeconomy. It is worth noting that the function of collecting revenues and allocating expenses in 1995 is very formidable. The 1995 expense allocation must cover some work left over from 1994. It must provide funds to gradually relieve damage caused by major natural disasters in 1994. It must also face an increasing demand on spending for development investment and for repaying foreign loans. This situation requires all sectors and levels to ensure full and correct revenue collection in accordance with state policy to prevent loss in revenue collection. All sectors and levels must strictly observe guidelines on budget spending, thoroughly practice thrift, and concentrate funds for development investment, treating these as their foremost duties. They must be fully aware that they should not allocate funding in an indiscriminate manner nor grant funds for not-so-urgent projects. The entire country must observe the principle that funding will be approved after the budget has been balanced. At the same time, everybody must share responsibility for keeping budget overspending within the limit allowed by the National Assembly.

The truth is that there has been an increase in spending to meet development needs and that this situation is likely to lead to inflation. Nonetheless, our personal experiences from the past indicate that our resolute anti-inflation measures have helped stabilize the economy step by step and create new momentum for the current economic growth. In 1995, we need to adhere even more strictly to this principle because it is one of the key factors related to steady economic development.

Regarding capital, the government report on the socio-economic development plan and state budget estimates for 1995 also points out sources of capital which can be mobilized in 1995. All sources of revenue collection for 1995 have been thoroughly studied and submitted to the National Assembly. Nonetheless, the situation still calls for great efforts. First of all, it is necessary to improve the quality of planning and evaluation, strengthen coordination, and closely manage all sources of capital available in the national financial system.

We have an old saying that goes like this: Look before you leap. People who possess capital, whether they are Vietnamese or foreign nationals, are not willing to make any moves unless they know for sure that their investment capital is guaranteed and is likely to bear fruit. If we keep this in mind, we will surely be able to mobilize capital. The decisive factor here is the need for us to change methods of mobilizing capital, adopt incentive policies, develop services that facilitate financial and monetary transactions, and improve project review and evaluation procedures to ensure effective capital mobilization results.

Regarding the mobilization of capital among the people, the key factor of success rests with the feasibility of investment projects and the possibility of yielding attractive interests. Particularly, it is necessary to step up research on the share-holding enterprise system, bearing in mind the need to set orientations for enterprises that operate profitably so that they can develop their strength at a quicker pace while at the same time creating conditions for accumulating capital for bigger projects. This move also helps form powerful enterprises or big economic groups and ensures dynamic growth in the state-operated economy.

We need to adopt different methods of broadening our capital market based on a thorough study of all factors involved. It is necessary to accelerate cooperation with the outside world, first of all with foreign financial organizations and banking institutions, to quickly develop the capital market in our country.

The above-mentioned policies will be successfully implemented provided that we make thorough efforts to renovate the national financial system and effect changes in the state budget system, tax policies, accounting and auditing systems, and banking services. This success also depends on the promulgation of new adequate economic and financial policies.

In 1995, we need to effect major changes in this domain to handle the problem concerning capital in particular and improve the performance of the overall economy in general. The general capital utilization concept for the immediate future rests with the need to set priorities for projects that yield high profits, help pay back loans at an early date, and greatly contribute to the accumulation of capital from domestic sources. Particularly, to meet the demands of infrastructure building and in-depth investment in existing economic establishments we need to apply new methods of mobilizing direct and indirect foreign investment capital to initiate new economic development projects while at the same time meeting the demands of infrastructure building and in-depth investment in existing economic establishments.

2. It is necessary to improve the quality of development planning. In fact, this move is one of the key factors of

success of the economic development strategy. We have completed a number of tasks relating to regional and national development planning in the framework of a master plan for the period from now through the next several decades. Nonetheless, survey, investigation, and research results still remain very limited. The economic development concepts and strategies, industrialization and modernization strategies included, are still in the process of taking shape. Many issues will not be clarified until after the eighth party congress. The solutions to many economic development issues still depend on our future success in creating momentum to promote the development of the national economy and attract foreign investment.

The quality of planning at the macro level is still very limited. Sectoral and regional planning has been carried out merely at a certain level. Feasibility studies of projects are still qualitatively poor and the order of priority for projects is not very compelling. Our land reserves are very limited and our population distribution is uneven. Our country's natural resources, though diverse, are limited. That is why very careful computation and planning are required. In 1995 we will have to further step up planning and at the same time continue to enact preferential policies to promote development investment so as to create economic projects and spearhead industrial sectors for the national economy. This will create more favorable conditions for us to correctly distribute and effectively muster all resources at home and abroad; avoid serious cases of wasteful spending, overlapping, and deadlocks; reduce the risk of business failure to repay debts; improve economic results; and create new premises for rapid development.

3. Develop the integrated strengths of various economic components.

To attain a higher pace of development for the national economy, we must be persistent and must carry out more satisfactorily the mutisectoral economic policy and turn the industrialization and modernization undertaking into a cause of the entire people, every economic component, and every Vietnamese at home and abroad. It is necessary to make everyone participate in building a prosperous and powerful country for the sake of their future and the future of their children.

We must also develop more satisfactorily and further improve the efficiency of the state economic sector. As it did in the past, this sector must play an important role in ensuring the key positions of the national economy in the future. To achieve this, we must concentrate our efforts on strengthening those most essential sectors and areas, trying to establish financial organizations with capital accumulating and drawing capabilities to promptly and effectively meet various demands of the economy and of the domestic and foreign market. These organizations must have a self-administered operating system. In this way, we will have conditions to gradually turn various responsible ministries and organs into state management organs. This will reduce the number of departments while appropriately strengthening the role of state management organs, trying to link economic renovation with administrative reform.

As for overall planning, it is necessary for us to clearly determine in which sectors state enterprises will be maintained and developed and in which sectors or areas state enterprises will be equitized through appropriate steps and forms, and in which sectors and areas state enterprises will not be maintained. This will concentrate our resources on the most important areas.

We must create conditions for state entepriscs and at the same time demand that they achieve higher results in proportion to the capital invested. State enterprises must contribute their income to the state budget and play an active role in the building of new industrial sectors and in the introduction of advanced technologies into the national economy.

In this direction, we must consistently develop and encourage various economic components to invest in business development as warranted by the law encouraging domestic investment.

We must encourgage private economies to develop in a direction beneficial to the national economy and the livelihood of the masses. We must expand the scope of their activities to suit the conditions in Vietnam and the current international situation.

The small production-based economy is developing dynamically and creatively. We must provide it with the necessary assistance—technological, capital, marketing, and other forms of aid if possible..

At a time when the process of capital accumulation in our country is still at a low level, the establishment and development of the relations of trade partnership under flexible and effective forms between various economic components and the renovation and development of cooperatives-based economy will not only be a way to create an integrated strength for the entire economy of our country and reduce various spontaneous factors in the open-door economic structure, but will also serve as an important guarantee for development in the socialist direction.

Prime Minister on Reform

BK2510093094 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 24 Oct 94

[Interview with Prime Minister Vo Van Kiet by an unidentified correspondent during a break in the 23 October afternoon session of the National Assembly at Ba Dinh conference hall—recorded]

[FBIS Translated Text] [Correspondent] Mr. Prime Minister, recently we have discussed the need to renovate administrative procedures. What do you think about the past achievements recorded by us in this field?

[Vo Van Kiet] It can be said that the renovation of administrative procedures is a very urgent issue and also a pressing demand of the people. As was cited in the government report, not much has been done about this. Probably this is because we have just started doing it. To some extent the relations between various state sectors have improved, but the results obtained are not remarkable. Regarding public relations in particular—a very important matter, the implementation of which has created inconveniences for the people—it is noted that despite some efforts by many sectors and localities to improve their public relations, the results obtained are not remarkable. In the coming period, drastic efforts must be made to overcome this situation.

[Correspondent] Mr. Prime Minister, what is the first thing to be done in the period ahead to deal with this issue?

[Vo Van Kiet] Do you, comrade, mean administrative reform? Right? The first thing to be done is to continue to review our past administrative reform activities so as to fully overcome what has not been done satisfactorily. We must check our process of work implementation to see if there is anything to be revised or supplemented and if there are any organizational methods to be adopted so as to fully renovate the administrative procedures. As administrative procedures involve foreign investment, we have assigned responsible sectors to prepare new procedures for promulgation by the end of the fourth quarter, as I have already reported. A one-stop paperwork-processing service must be offered. Various sectors at the central and local levels must make public all the revised administrative procedures so the masses can be aware of these revisions. Meanwhile, the masses and various mass organizations must help the government monitor the activities of various sectors and echelons and remind them of the need to continue revising their administrative procedures.

[Correspondent] Mr. Prime Minister, it is clear that red tape has impeded business activities and is the cause of many negative phenomena in society, such as corruption. So, what do you think about the past efforts to solve this problem?

[Vo Van Kiet] Inconvenient procedures requiring applicants to go through many offices and echelons have indeed caused negative phenomena. Any components or any echelons that can come up with a way to cut red tape will be able to reduce negative phenomena. If the one-stop paperwork-processing service is offered, it will be convenient for public supervision and control of work implementation. We will try our best to solve this problem.

[Correspondent] Mr. Prime Minister, my last question is this: After this National Assembly session, do you have any immediate measures in mind for administrative reform?

[Vo Van Kiet] The National Assembly is discussing the six issues which I, on behalf of the government, have presented to it as well as to the people nationwide. We are ordering the sectors charged with handling each particular issue to prepare [red tape reduction] plans to be carried out at the beginning of 1995. I would like to ask you, comrades, to pass on to the compatriots my words that we will try our best to solve these problems. However, it will take time. These problems cannot be solved quickly partly because of our managerial mechanism, which has long been congested. I hope that you, comrades of the mass media, will help the government actively carry out this scheme.

[Correspondent] Thank you, Mr. Prime Minister. I wish you and the government success in this task.

Communique No. 4 Issued

BK2410151194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Oct 94

["Communique No. 4" issued by the Sixth Session of the Ninth National Assembly on 24 October]

[FBIS Translated Text] The National Assembly office issued Communique No. 4 indicating that this morning, 24 October, the National Assembly deputies held group discussions to exchange views.

In the afternoon, the National Assembly worked in the conference hall under the direction of National Assembly Chairman Nong Duc Manh to discuss the implementation of 1994 tasks, the orientations and tasks for 1995, and the state budget. The deputies focused their discussions on the following issues:

—A general evaluation of the implementation of 1994 tasks in general and the results of agricultural production in particular;
—Continued efforts to overcome the consequences of recent natural disasters, particularly in the Mekong River Delta provinces;
—Measures to curb inflation and mobilize sources of capital both at home and abroad to serve the goals of the national industrialization and modernization program;
—Measures to develop the oil and gas industry to increase the sources of state revenue collection;
—Investment policies aimed at creating conditions for infrastructure building for agriculture and for providing good public health care and treatment for the people at the grass roots level;
—A number of policies to promote socioeconomic development in the mountain regions and areas inhabited by ethnic minority compatriots;
—Administrative reform and strengthening of the state apparatus;
—Organization of implementation of legal documents and law enforcement protection; and so forth.

Tomorrow, 25 October, the National Assembly will continue to hold discussions in the conference hall.

Vo Van Kiet Urges Increased Coffee Production

BK2410084694 Hanoi VNA in English 0632 GMT 24 Oct 94

[FBIS Transcribed Text] Hanoi VNA October 24—Prime Minister Vo Van Kiet at a working session on the development of coffee planting with officials from the Ministry of Agriculture and Food Industry here on October 22 requested relevant agencies to make coffee, an export item of high economic value.

It was reported at the meeting that before 1975, Vietnam had a total of 14,000 hectares under coffee which yielded some 5,000 tonnes of bean a year and the productivity averaged 0.4 tonne/ha. Coffee acreage increased to (?19,000) ha in 1982 and 120,000 ha in 1993 with average productivity raising from 0.5 to 1.2 tonnes/ha respectively. Coffee export volume in 1993 was 130,000 tonnes valued at nearly USD 150 million compared with 6,000 tonnes in 1980. This year coffee export value is expected to reach USD 200 million. The coffee (?branch) plans to achieve 220,000 ha of coffee, 250,000 tonnes of coffee beans and USD 250 million of coffee export value by the year 2005.

At the session, the prime minister urged the responsible ministry to work out a suitable plan for coffee planting development, especially [word indistinct] concentrated plantations in the central highlands, eastern south Vietnam and other basaltic areas. He also suggested the foundation of an association of coffee growers.

Commission 'Condemns' Khmer Rouge 'Massacre'

BK2410154094 Hanoi VNA in English 1512 GMT 24 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 24—The Commission for Overseas Vietnamese vehemently condemns the Khmer Rouge for having killed seven ethnic Vietnamese, the third massacre of the Vietnamese in Cambodia since Cambodia's Immigration Law was passed less than two months ago.

This comes in a press release by the commission in relation to Khmer Rouge's attack on two families of Vietnamese nationals in Kompong Chhnang in Cambodia on Oct. 20, killing seven including three children under four and wounding three others.

The commission urges the Cambodian Government to punish the murderers and to prevent such crimes from recurring in order to ensure the normal life for the Vietnamese people living in Cambodia. It also calls on international organisations and public opinion to provide support to the ethnic Vietnamese there.

Vo Van Kiet Meets Former French Prime Minister

BK2410153694 Hanoi VNA in English 1508 GMT 24 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 24—Prime Minister Vo Van Kiet received here this afternoon Mr. Michel Rocard, France's former prime minister. He welcomed Michel Rocard's visit as a manifestation of warm sentiment to the Vietnamese people in their prevailing process of national construction.

The prime minister expressed sincere thanks from the Vietnamese Government and people to the French Government for having assisted Vietnam and created good opportunities for Vietnam to resume relations with international monetary organizations as well as the European Union.

For his part, Mr. Michel Rocard noted to the unceasingly growing and more effective relationship between France and Vietnam which, in the French diplomat's words, with Vietnam's renovation policy as well as clear-sighted foreign policy, would be further consolidated and developed for the interest of both countries.

Foreign Minister Meets Swiss Officials, Departs

BK2410155194 Hanoi VNA in English 1525 GMT 24 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 24—Foreign Minister Nguyen Manh Cam paid a three-day visit to Switzerland from Oct. 20 as guest of his Swiss counterpart, Mr. Flavio Cotti.

Foreign Minister Nguyen Manh Cam held talks with Swiss Foreign Minister F. Cotti and had working sessions with Minister of Economy J.P. Delamuraz, senior officials of the economic and commercial cooperation agency and the federal development and humanitarian aid agency. He also met with officials of Swiss relevant agencies.

At the meetings, the two sides discussed concrete measures and guidelines to make the cooperative relations between the two countries to a new step of development, especially in economy, trade, investment and technology transfer, on the basis of the signed agreements. They agreed on the use in the near future of 40 million francs Switzerland granted Vietnam.

The two sides agreed to sign soon an agreement on avoidance of double taxation in order to complete the legal system for the long- term cooperation between Vietnam and Switzerland. The Vietnamese side was informed that Switzerland has put Vietnam into a list of key countries beneficial to Swiss development aid programme, and that Switzerland would create more favourable and necessary conditions for Vietnamese made goods to enter into the Swiss market. The Swiss side renewed its commitment to help Vietnam train personnel in economic management, finance, banking and tourism, and to continue its assistance to Vietnam to lessen difficulties in social and environmental fields.

The two sides shared notes on a number of international and regional issues.

Minister Nguyen Manh Cam left Switzerland on Oct. 23 for Belgium to which he will pay a visit and in which he will also work with European Union officials.

Australia

Reserve Bank Increases Interest Rate by 1%

BK2410061394 Melbourne Radio Australia in English 0500 GMT 24 Oct 94

[FBIS Transcribed Text] Australia's Central Bank has lifted the official interest rate by 1 percent in a move that expected to lead to higher interest rate on loan. Belinda Tromps says the Reserve Bank wants to prevent the economy from overheating.

[Begin Tromps recording] Like the rise of three-quarters of 1 percent on 17 August, today's increase of 1 percent is designed to avoid a boom-burst cycle where the economy grows too fast and inflation takes off. In a brief statement the Reserve Bank says consumers are spending more than expected, home lending is running at a high level, and business investment is growing strongly; and these mean pressure on prices and wages can be expected to intensify. The Reserve Bank's cash rate at which it lends to other banks now stands at 6.5 percent. All eyes are now on the commercial banks to see when they lift home loan and business rates and by how much. [end recording]

Papua New Guinea

Bougainville Rebel Faction Welcomes Peace Talks

BK2210093094 Melbourne Radio Australia in English 0630 GMT 21 Oct 94

[From "International Report" program]

[FBIS Transcribed Text] A feared upsurge in fighting in and around the provincial capital, Arawa, has not eventuated despite this week's pullout of the South Pacific Peacekeeping Force. Sean Dorney reports on why there is some hope that the Bougainville peace conference might not have been a failure, after all.

[Begin recording] [Dorney] There were fears that the vacuum left in the provincial capital, Arawa, by the withdrawal of the 300 peacekeepers might be filled by bloody clashes between the Papua New Guinea [PNG] military trying to reenter the town and the Bougainville Revolutionary Army [BRA] militants who had come out of the bush and into Arawa in large numbers for the peace conference that their leaders snubbed. But, that is not the way it has turned out. Not yet, anyway. In fact the new commander of the PNG Defense Force, Brigadier General Tony Huai, was cheered by the BRA Tuesday when he went to the signing of an agreement with the leaders of the (North Nasuari) people who have deviated from Francis Ona's hardline of no negotiation.

The (North Nasuari) area covers about one-third of the remaining rebel-held area on Bougainville and their leader is Theodore Marion, a former PNG national court judge who had gone to life-threatening lengths last week to convince Francis Ona that the opportunity the Pacific Peacekeeping Force provided for peace negotiations was one too good to miss. When Ona kept rejecting the overtures, Marion decided to negotiate instead and he has carried 17 BRA commanders and their men with him. They are the ones who cheered Brig. Gen. Huai who said his men have gone back into Arawa, not to take up offensive operations, but to concentrate on reconstruction.

[Huai] I have commenced this delicate process of trust and this important recipe for peace is the foundation to future negotiations because without this trust and confidence on both sides there can be no real peace, and I think you bear in mind that both forces have been fighting each other for the last six years, and therefore the trust and confidence for each other will not be achieved in one meeting. There is going to be a continuing process.

[Dorney] Australia's trade minister, Senator Bob McMullan, is visiting Port Moresby and he believes the Australian-funded peace conference was not money wasted.

[McMullan] When you look at this $5 million, I think the real question how would Australians have reacted if we said this attempt at peace in Bougainville is not worth $5 million—it is too expensive, we are not going to try—(?it would have been) a scandal. It has started a process of a cease-fire which seems up to now to be holding. So, I think there are pluses in it and there is potential in it, but of course, everybody would like it to have gone better.

[Dorney] While Theodore Marion and his (North Nasuari) people have agreed to negotiate. The rebel president, Francis Ona, is still in the mountains, apparently convinced that the United Nations is about to grant Bougainville its independence. Theodore Marion could no longer put up with such delusions. [end recording]

Solomon Islands

Mamaloni Sworn In as Interim Prime Minister

BK2510085994 Melbourne Radio Australia in English 0500 GMT 25 Oct 94

[FBIS Transcribed Text] Solomon Islands has two prime ministers today after the governor general, (Moses Pitakata), swore in opposition leader Solomon Mamaloni as interim prime minister. Radio New Zealand says Mr. Mamaloni was sworn in at a secret ceremony at Government House in Honiara last night, effectively giving Solomon Islands two prime ministers.

The escalation in the Solomons constitutional crisis follows the refusal of elected Prime Minister Francis Billy Hilly to obey an order by Mr. (Pitakata) to step down and let parliament hold a new election for prime minister.

The Solomons Islands radio says the Court of Appeals advised at the weekend that the governor general did have the executive power to dismiss the prime minister and to call meetings of parliament to resolve matters of crisis.

PAC News says a scheduled meeting of parliament will go ahead next Monday following a court ruling that the issue of who should lead the country should be decided by the legislature. Parliament has not met since January and Mr. Hilly has maintained that only parliament can remove him from office. But following recent defections of government ministers to the opposition, the governor general said that Mr. Hilly no longer enjoyed majority support in the 47-seat parliament. Mr. Mamaloni, who is leader of the National Unity, Reconciliation, and Progressive Party, claims he has sufficient support to form a new government.

PAC News says Mr. Hilly was still in the prime minister's office today and it was not clear where Mr. Mamaloni was operating from. Sources close to the government told PAC News that paralysis has gripped upper levels of the civil service because officials do not know who is now in charge of the government.

Constitutional Crisis Causes Confusion

LD2510115494 Wellington Radio New Zealand International in English 1000 GMT 25 Oct 94

[FBIS Transcribed Text] [Announcer] At a secret ceremony [in Honiara, Solomon Islands] last night, Governor General Moses Pitakaka swore in opposition leader Solomon Mamaloni, but prime minister Francis Billy Hilly says he is still in charge.

The civil service is reported to be having difficulty carrying out its duties as they don't know who to obey. The entire constitutional crisis in Honiara is still being considered by the court. Solomon Islands Radio journalist Daig Sangiki says the situation is confusing and unprecedented.

[Sangiki] Well, Solomon Islands has no experience to fall back on in circumstances like what is happening now. But it's rather extraordinary, it's rather unusual for, let alone the appointment, for the swearing in of a prime minister—I mean he is a caretaker prime minister, but I think he's prime minster all the same in the view of the ordinary person—it was further unusual that the swearing in of a prime minister has to be done, you know, under cover of darkness, and, you know, without the public knowing about it.

[Announcer] Solomon Islands radio journalist Daig Sangiki. Meanwhile Solomon Islands police have mounted an investigation into reports that seditious statements have been made against the governor general, Moses Pitakaka, during the country's constitutional crisis. The order for the investigation has been given by the director of public prosecutions, Francis Mwanesalua. Our correspondent in Honiara says police have been given until Friday to file a case.

Meanwhile the Solomon Islands High Court will tomorrow announce its decision on the constitutional crisis.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.